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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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BUSINESS WORLD DISCUSSES THE TAX PROPOSALS

Looks Into Effect of Extended Sales Tax Upon Business and Industry

GENERAL SITUATION

Manufacturers Make Progress in Reducing Cost Factor—Employ More Efficient Selling Methods—The Outlook

The business world is sitting in judgment upon the budget proposals of Sir Henry Drayton. The Minister of Finance has made several suggestions of altered taxation measures which should have an important bearing upon business and industry generally. He is to be commended upon his decision to abolish the business profits tax, thereby removing an unsteadying force in industry. The efficacy of the sales tax as a vehicle for producing adequate revenue remains to be proven in practice, but it becomes more and more apparent from an examination of the underlying principles that its application as at present devised will be less likely to injuriously affect trade than almost any form of tax conceived.

Sir Henry makes provision for an extension of the sales tax to be collected from the importer, the manufacturer and the wholesaler. While the tax is collected from these branches of business it is ultimately paid by everyone, and for this reason is equitably distributed over every class of business. Under the present plan the retailer will be freed from the necessity of engaging in the complexities arising out of a turnover tax, and the tax will be applied where it will be felt least of all by the consuming public, and therefore should not work in restraint of trade to any appreciable degree.

Sir Henry's scheme should have a stabilizing influence upon business. The business profits tax has been admittedly the cause of a large portion of the increase in the cost of living in recent years, and its elimination will undoubtedly expedite the movement toward lower costs. The sales tax, while its application will be extended, and higher rates in many lines introduced under the new arrangement, will so apply as to escape the immediate scrutiny of the average purchaser and therefore business should be free from any adverse effect from the higher rates introduced.

Encouraging Feature

The most encouraging feature of the present business situation is the fact that retail stocks are moving freely. In many cases turnover is higher than for the corresponding period a year ago. Profits are of course seriously impaired, but in the ability of the merchant to sell lies a remedy for the present industrial situation. Stocks of goods in the hands of retailers, wholesalers and manufacturers are becoming more and more depleted. Each class of business is buying only in sufficient quantity to supply demand. The retailer is selling more than he is buying. In time his stocks will arrive at a point almost of depletion, and he must buy in quantity if he is to meet the increasing competition in his field. There will then be more and larger orders for the wholesaler and manufacturer, and more employment for labor.

High production costs are at the moment the chief obstacle encountered by industry and business as a whole. Production costs must come down, and manufacturers are giving serious attention to this matter. This may be brought about through the introduction of new and better equipment, of labor saving devices or through the greater efficiency of labor, or in large measure through a lowering of the wages of labor. Reductions in wages have been introduced in a number of lines of industry, but it is evident that the movement is only just beginning.

Building figures for the month of April showed, as was expected, a material decline from the total for the

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THE CHANGED CONDITIONS

Reports from Gary, Indiana, a steel town pinched by hard times, to the Wall Street Journal are that the 20 per cent. slash in wages has been accepted with hardly a murmur. Employees, who participated in the pitched battles of the steel war of 1919, were docile when notified by their foremen that their pay envelopes would contain one-fifth less, starting May 16.

Men who have been working from one to four days a week for some months, saw in the wage reduction steady employment and hence larger earnings.

One worker said: "We work perhaps two days a week at $6 a day, which gives us $12 on Saturdays. Why not work six days at $4.80 a day and draw $28.80 a week?"

ABOUT 70 P.C. OF WESTERN WHEAT CROP IN GROUND

Crop Conditions in Prairie Provinces Are Decidedly Favorable

ABUNDANT RAINS

The Market Outlook Reviewed—Saskatchewan Government Asks Questions Regarding Wheat Pool

By E. CORA HIND,
Commercial Editor, Manitoba "Free Press."

WINNIREG.—Light, warm rains have been general throughout the West during the last twenty-four hours and rain is still falling at a number of points. The rain will be of benefit everywhere, but more particularly in districts like Regina and Swift Current, Sask., where they have been suffering recently from high winds and a certain amount of drifting, which has occasioned serious apprehension. Roughly speaking, practically 70 per cent. of wheat crop of the West is now in the ground. Alberta is complete with the exception of the north. Southwestern and central Manitoba are practically through wheat seeding, and all of southern Saskatchewan is seeded and most of the center and some of the north. There is plenty of subsurface moisture and this warm gentle rain will get the wheat away to a good start, and while it may delay the seeding of other grains for a day or two, that will not be at all a serious matter in view of the value of this early rain.

Crop conditions at the moment are decidedly favorable. Conditions as to dairying are less satisfactory, as the very rapid drop in prices of butter and eggs will certainly be reflected in the corresponding decrease in production. As a matter of fact, the price for butterfat on the prairies has been holding up very well and has been really better than in Eastern Canada and many parts of the States, but over and against this it is always to be remembered that dairying is a more laborious business on the prairies than it is in older and more thickly settled districts.

Market Outlook

The situation in regard to hay is not very satisfactory. There are very large quantities of hay, but a good deal of it was baled during the winter and had snow in it and has turned musty, while the bad roads, an incident of spring, and the fact that the farmers are busy, has tended to make shipments to the city small. Prices have been running high and dealers have differed widely in their quotations.

Council of Agriculture

The week has been a very interesting one in farm and business circles in view of the action of the Canadian Council of Agriculture, the Western members of which met here this week and passed strong resolutions against a member of the Board of Grain Commissioners of Canada being on the Grain Inquiry Board. Rumors are thick that Mr. Hyndman, the judge selected as chairman, will not act, and everything at present seems to be at a standstill.

The second matter of importance has been the report of the Saskat-

Continued on page 4.

CHANGES OBSERVED IN U.S. TARIFF AND FOREIGN POLICY

U. S. Business Men Realize Low Tariff is Necessary

NOT SO IN CANADA

Being a Debtor Nation, Canada Must Retain Protection, Stimulate Exports and Restrict Imports

By J. F. M. STEWART.

Particularly significant just now is the action of the Washington Government in its policy of delay in handling and revision downwards of the Young tariff bill, which has replaced the much criticized Fordney bill. Noting this and drawing my conclusions from the speeches of the various meetings of the National Chambers of Commerce at Atlantic City recently, I bring back the rather unique opinion that the Republican Party is swinging over from a very high tariff party to a moderate tariff party, and that it may go further and become a low tariff party.

Such a change cannot pass without comment. It is obviously the result of a decided reversal of opinion in the United States regarding that nation's international status in the world's trade competition. The appalling reduction in that nation's export trade has had its effect on the internal trade and general business in a bitter manner that has impressed Americans with the fact that they cannot live alone, or unto themselves. The United States has become a creditor nation for the first time in its history. American business men are only now beginning to realize the difference which that state of commerce must inevitably cause in their general attitude to the rest of the world. The "splendid isolation" from European affairs, which was a heritage from Washington's day, is fundamentally unsound in modern commerce. It is absolutely essential for the life of American industry that a reliable export trade be built up and maintained.

As with Canada, manay American factories largely increased their capacity output, due to war orders and impetus which business received from the war. It is estimated that American production in standard lines of commodities is at least 20 per cent. greater than her own normal consumption. America is to-day the greatest manufacturing nation, both in quantity of production and in variety of output. This capacity for producing is temporarily dislocated and can only get back to normal through export channels. Herein Canada's position is kin to that of the United States, with the difference that Canada is yet a debtor nation and must, for economical reasons, remain so for some considerable time to come.

The facts of her changed international position are burning their way into the consciousness of American business men and government officials. This was evident from the opinions expressed at the Chambers of Commerce meetings. Consequently it is felt that this change of view point will undoubtedly result in a change of tariff policy and that rather than a wall of higher protection the United States may offer to the world a much more generous trade policy. It has ever been the history of nations, notably of England, creditor nations were low tariff nations and debtor nations were high tariff nations.

Canada's interests are so closely allied with conditions in the United States that casual observers might argue therefrom that revisions in that country's tariff regulations should be followed in this. It is not by any means possible for Canada to frame her tariff in this way for the reason that the position of the two countries in the world's commerce are fundamentally different. The United States must get its debt paid and can only do so by accepting goods from such debtor nations. Canada being a debtor nation is not receiving, but paying. Consequently she is in a position where she must still build up her industries. She can only do this by a proper tariff policy.

No Proposals For Tariff Revision Until Fiscal Programme of United States is Defined

From Our Own Correspondent.

OTTAWA.—In many respects the budget brought down by the Minister of Finance this week justified the general predictions. It has been known for some time past that, notwithstanding the lengthy tour of investigation made last fall, there would be no general tariff revision at the present session, and the lengthy way in which the Minister of Finance dealt with the situation with respect to the United States shows clearly the reason. The budget speech showed very plainly what course it is intended to follow in Canada should the Young bill become operative in the United States.

To follow the sequence of events started by the Finance Minister's remarks on the United States tariff, it is not unlikely that the passing of the measure would be followed by the calling of a fall session of Parliament, when tariff revision to meet the American advance would be proposed, a redistribution measure brought in, and, probably, an appeal to the country in the summer of 1922 follow.

The Minister of Finance points out that Canada's adverse balance with the States last year reached $295,000,000, while the "unseen" adverse balance due to the redemption of maturing securities and payment of interest by Canada on our securities held in the United States added $180,000,000 more. The Minister estimated that, if the Young bill became law, it would shut out over $168,000,000 of Canadian exports to the United States. The above three items would total an adverse balance of trade, on the basis of last year's figures, of nearly $650,000,000. Consequently, there will be no tariff revision until it can be seen what will happen to the Young bill, and what will happen to Canada if it should become law.

The dropping of the Business Profits War Tax will prove satisfactory, not only to the taxed, but probably to the tax collector as well, as it is notorious that, while forty millions were collected from it last year, collections have recently dropped heavily, and a still further drop seems to be anticipated.

A Business-Like Budget

SIR HENRY DRAYTON'S handling of the taxation problems is being commended by the business community. Despite considerable pressure and varying advice, he decided against the complexities of a wide and general Turnover Tax on all products and all sales. The FINANCIAL POST has consistently advocated that the proper solution of the nation's financial problems lay in an adaptation of the present Sales Tax rather than applying any radical new system that might easily have further dislocated business without benefit to the public. That he refrained from extending the system to retail sales insures against another period of business unsettledness which would have been a reflection of public dissatisfaction and confusion in retail trade.

The system to be followed in 1921 largely exempts food stuffs as in the past. Original raw material products of forest, fisheries, mines and agriculture remain free from a Sales Tax, as also are initial sales of farm produce. Sir Henry evidently recognized that the intricacies and cost of collecting taxes on such products by means of a Sales Tax would in all probability be excessive to the point of defeating the revenue producing purpose of such tax. The same applies to sales by retailers and the truth of this is found in the operation of the Luxury Taxes, which cost 62 per cent. to collect.

Is Not a Burden on Industry

The new—or rather the enlarged—Sales Tax is collected from importers, manufacturers and wholesalers. It will not unduly increase the price of commodities, nor increase the cost of living. The fact must be remembered that the Business Profits Tax was proved to have been directly responsible for a large portion of the recent high level of prices. This tax is now eliminated.

Will It Produce Enough?

The great question, however, remains as to whether the percentage and application of the Sales Tax is wide enough to raise the required revenue. This will be evident in the course of the next few months, as returns from this system are almost instantaneous. If the volume does not meet requirements, a higher percentage can be imposed or the application can be broadened to embrace certain other branches of trade. This process being gradual will have little or no disturbing effect on commerce. Judged by the returns recorded for the Sales Tax during the nine months of 1920 in which it was operative, the new Sales Tax—being an increase of 50 per cent—may well be expected to produce $135,000,000 including the manufacturers' tax of 1 per cent.

The system of including the amount of the tax on the face of invoices will be continued. This removes the objections to the general Turnover Tax raised by companies operating on narrow margins of profit, that their profits would be entirely absorbed. In future, sales from:—

Manufacturers to wholesalers shall bear 1½ per cent.;
Wholesalers to retailers shall bear 1½ per cent.;
Manufacturers direct to retailers or consumers shall bear 3 per cent.;
Importers to manufacturers or wholesalers 2½ per cent.;
Importers to retailers, consumers or for personal use 4 per cent.

Anti-Dumping Clause

The new budget offers a partial protection against "Dumping." Duties at present are paid on the "Fair Market Value." The new budget provides that the value shall in no case "be lower than the wholesale price of the article at such time and place" of importation. Conceivably difficulties may be encountered in determining first what is a "wholesale price," especially so in conditions such as the past few months when the "price" of many articles was the sum that the buyer was "willing to pay." The principle, however, is sound—under the operation of this clause, it will be impossible to bill goods into Canada at "Factory" or "Assembly" cost.

Charging Duty on Exchange

Leaving tariff matters, largely in abeyance, pending action by the American Government on their own tariff problems, is doubtless a good move and will place Canada in the position of having something to "bargain" with. A slight ban is, however, placed on the nation's excessive imports by assessing custom charges on the "exchange" premium. In other words, customs duties will be collected upon the amount of Canadian funds required to liquidate a bill drawn in American funds. Roughly taking the total dutiable American imports at $400,000,000 and allowing an average exchange premium of 12 per cent., the amount of $48,000,0000 extra dutiable value will be added. Allowing also an average of 25 per cent. duty, the customs receipts are due to be increased by $12,000,000 and that without adding either to our tariff charges or to our adverse foreign exchange balance.

Supertax and Surtax Remain

It is not without regret that business men find that they must continue under the irritation of the Supertax and Surtax. That these two measures are needlessly harassing is undoubted, and that they will be withdrawn at the first possible moment is probable. Urgency of national revenue is the argument and only just cause for their retention and it is to be hoped that the results of the Sales Tax will justify their quick abolition. That this is not beyond the realm of possibility would seem evident if the above estimated yield from Sales Tax can be realized.

MARKETS RECEIVE TAX PROPOSALS WITH EQUANIMITY

Removal of Business Profits Tax a Solid Step For Readjustment

PAPERS ARE ACTIVE

European Developments Fail to Arouse Market Enthusiasm—Stock Movements on the Whole Irregular

From Our Own Correspondent.

MONTREAL.—While the removal of the business profits tax was not looked on as likely to provide a very substantial benefit for the majority of industries during the present year owing to the decline in profits and hence in the demand for government taxation, yet the measure was viewed as one of the most solid steps that had been taken for getting industry on to a normal and substantial basis once again. The Stock Exchange celebrated mildly by the start of a "bull" movement, but there are too many affairs tugging behind and awaiting adjustment to permit of a real "bull" advance just now. Coupled with the knowledge that the excess profits tax would be out of the way for 1921 is the knowledge that already in a number of cases the Taxing Department has made special arrangements for allowing reductions in inventories to be made of a later date than of Dec. 31, 1920, in order that losses in inventories that have been incurred since the beginning of the year may be taken into consideration.

The reception of the stock markets to the seemingly constructive developments of the week was disappointing on the whole. The taxation proposals and reforms, while generally regarded as bullish to the stock markets, developed only a passing flurry.

The news of Germany's complete acquiescence to the Allied terms produced a negative effect on Wall Street and was followed by an almost general decline. The explanation lies in the fact that the news had been largely discounted, and buyers who had purchased in anticipation of a favorable movement on the stock markets sold as soon as the effect of the news had spent its force. A large volume of sales was produced in this way, with a corresponding weakening influence upon the markets. The Canadian list pursued an independent course in this connection, and it was difficult to trace any direct movement arising out of the European developments.

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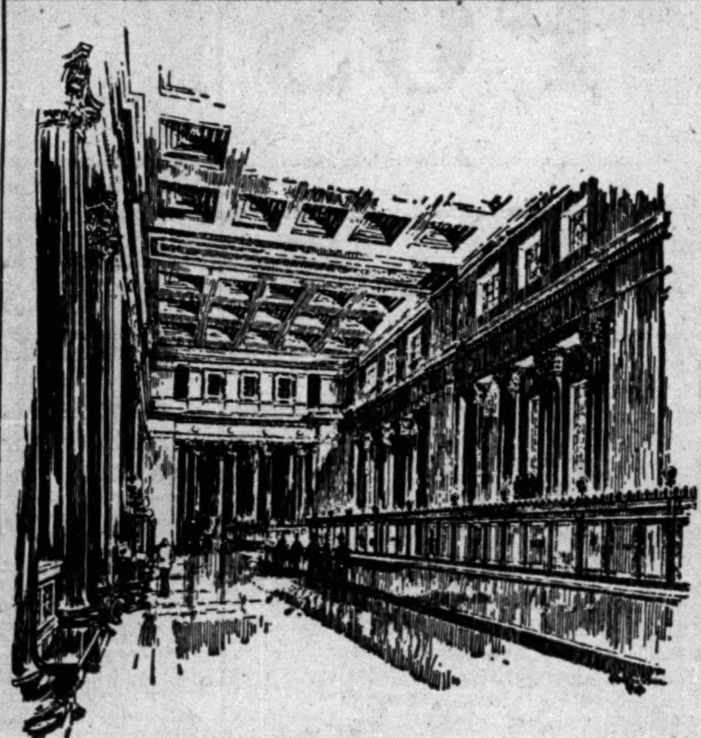

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LICENSED VS. UNLICENSED INSURANCE

Question Will be Debated On Amendments to Act

TAX ON PREMIUM

Some Changes in Situation Since the Manufacturers' Association First Lodged Objections

From Our Own Correspondent.

OTTAWA.—The amendments to the Insurance Act, a resolution concerning which has been on the order paper in the shape of a Government notice of motion since March 23, are likely to be introduced as soon as the House gets through with the budget. The bill, as originally outlined in the terms of the resolution, was opposed by the Canadian Manufacturers Association and others, on several grounds. Particular objection was taken to the clause in the bill which proposed to impose a tax of 15 per cent. on premiums paid to unlicensed insurance companies. Its effect, it was said, would be to shut out all unlicensed companies, each as Lloyd's, for example. There are many risks which the line companies will not write, such as lumber. The basis of the attack was that under the Insurance Act line companies were obliged to carry a deposit with the government to protect policy holders; but it is pointed out the reciprocal and mutual companies do not come here seeking insurance. It is claimed that if the tax went into force it would operate so as to double the cost to concerns now insured in unlicensed companies. In many cases the line companies will not write the risks desired. In 1909 the line companies cancelled $69,000,000 of insurance without notice, claiming they were carrying too much risk. It is also claimed that licensed companies re-insure from 90 to 95 per cent. of their total risks with unlicensed companies.

The Department of Insurance claims that the collection of the tax would be simplicity itself. Returns are now made to the Department by all persons placing fire insurance with unlicensed companies. The introduction of the tax would therefore merely necessitate enclosing a cheque with the annual return. These returns do not specify the rate at which the insurance is placed, so that it is difficult to estimate the average rate of tax which would be imposed by the terms of the resolution.

A Changed Situation

At the time of previous discussions of the tax upon unlicensed insurance there was no taxation imposed on insurance companies by the Federal Government, and the proposal was then considered as a measure of protection for licensed insurance companies. While many arguments might be adduced for that view, it is pointed out that the situation from the standpoint of taxation is now quite different. Licensed insurance companies are heavily taxed under the various taxation measures, the amount of Federal taxes incurred for the year 1919 being about 6 per cent. of the premium income for that year. There is, in addition, approximately 2 per cent. paid as provincial and municipal taxes, making a total of 8 per cent of the premium income. Having regard to this heavy taxation of licensed companies, the Department considers it unfair that premiums paid to unlicensed companies should escape entirely. It is true that in the one case the tax is levied upon and paid by the insurance company while the proposed tax upon unlicensed insurance premiums will be imposed upon the premium payer. It is claimed that this distinction is not a vital one, as it is fully recognized that in essence all insurance is mutual, the relation of the insurance company to the insured being simply that of a medium through which individuals co-operate to give each other protection, and taxation imposed upon the company will eventually be borne by those who pay the premiums.

The total amount of unlicensed insurance for the year 1920 will amount to about $500,000,000, of which over $300,000,000 by mutual companies located mostly in the Eastern States. This business carries a very low rate of net premium, on the average probably not in excess of 10 cents per $100 of insurance. On this business the amount of the proposed tax at the 15 per cent. rate would be $150 per $1,000,000 of insurance.

As a result of the conferences which have been held between the different interests, it is believed that a flat rate of tax approximating the rate paid by licensed companies will serve to produce equality between the various classes of insurance and at the same time leave free to property owners the benefits of competition between the licensed and unlicensed companies.—T.M.F.

DOMINION EXPRESS CO.

Seek Government Authority to Increase Capital Stock

A bill providing for an increase in the capital stock of the Dominion Express Co. by $3,000,000 has been approved by the house railway committee at Ottawa. Strachan Johnston, of Toronto, counsel for the company, explained that the money would be used to pay the debts of the company. It was stated that some $1,537,000 was lost on last year's operations.

TO PEOPLE IDLE LANDS OF WEST

Governments Plan to Stimulate Sales—Colonization Association Will Co-operate

In order to stimulate movement in Western vacant farm lands and to divert it to productive uses the governments of the prairie provinces are considering legislation which shall require the owners of these idle lands to place them with the provincial land office for sale. To prevent extortionate prices on these properties it is proposed that the value fixed by the owner will be taken as the basis of the provincial wild lands' taxes. Owners of the lands will be asked to name a local real estate dealer whom they desire to handle their sales.

It is understood that the Western Canada Land Colonization Association will co-operate both with the governments and the property owners in this movement and will endeavor to place settlers upon the land at the prices named.

THE OPEN DOOR TO BRITISH SETTLERS

Canada Will Amply Reward Those Who are Prepared For Hard Work

By C. W. ROWLEY,
Canadian Bank of Commerce, Winnipeg.

It is a most important thing that we hand-pick our immigrants, and in this connection I think we should have the open-door policy to the men and women, and the young men and women in their teens, who are mentally, morally and physically fit who come from the United Kingdom. We should have no hesitation in putting the O.K. on the right people from the United Kingdom. I think we should regard it as quite reasonable that our brother Britishers should be attracted and desire to come to this country where their well-directed efforts will receive a proper reward. What this country needs is people of strong and vigorous manhood and womanhood, with brain and brawn, who are willing to work, even at a job to which they are not accustomed, six days in the week and fifty-two weeks in the year, and the country will certainly reward them.

If one recalls the Industrial Soil Products fairs in Canada and the United States, he finds that a very large proportion of the prize takers are those people who came to us from the United Kingdom a few years ago as settlers. Settlers of this breed will solve many of our problems, very much reduce the expense of education and make a tremendous difference in the expense of administering justice. I was told by one of our judges a short time ago that there were thirty-five cases tried consecutively at the Court House here and for every one of them they had to use an interpreter. It is the opinion of many of those closely connected with this work that the people who come to us from central and southern Europe do not have the same standards in regard to law and order as we have, hence the endless expense of holding court throughout this country.

ELEVATORS IN THE WEST

There Are 3,600 in the Three Prairie Provinces

There are 3,600 grain elevators in Manitoba, Saskatchewan and Alberta, according to Hon. George Langley, minister of municipal affairs of Saskatchewan. The elevators have an average capacity of 20,000 bushels and a total of 110,000,000. The terminal elevators at Port Arthur and Fort William are among the largest in the world.

Mr. Langley presented these figures in discussing the development of the elevator system of Western Canada. A decade ago there were fewer than 1,000 elevators in the Canadian West.

EXPORTS OF SUGAR HAD BIG SLUMP; START UP AGAIN

From 129,000,000 lbs. to England to 1,000,000 In 11 Months

ATLANTIC GETS ORDERS

Refineries Producing 1,000,000 Lbs. Daily—May be Forecast of Old-Time Prosperity For Industry

From Our Own Correspondent.

MONTREAL.—After a long wait export business in sugar seems to be opening up for the Canadian refineries. The first orders to be announced are those secured by Atlantic Sugar Refineries running into many thousands of tons from England. This company at St. John is excellently equipped both for receiving raws "up the coast" and shipping for export. These orders have resulted in the plant starting again at its full capacity of 1,000,000 pounds daily. The advantage of these surplus orders is that they will use up the balance of the high-priced raws on hand and get them finally out of the way, enabling the company to begin shortly on low-priced raws that will net the normal profit.

Just what a dearth of export orders has been the lot of the Canadian refiners is indicated by the figures of the Trade and Commerce Department covering February, 1921, the latest issued so far, and the eleven months of the fiscal year that began on April 1, 1920.

In the month of February alone, for example, in 1921 the exports were only $1,228 against $43,000 in 1920; while for the eleven months barely $12,000,000 was sent out compared with over $22,000,000 one year ago. The figures of export in detail compare as follows, practically the only exports for 1920-1921 being the United States (in high-priced times) and Newfoundland.

		11 months ending.		
		Feb., 1919.	Feb., 1920.	Feb., 1921.
To U. K. .	lb.	52,980	129,703,939	1,124,142
	$	4,823	11,824,345	247,161
To U. S. .	lb.	216	4,764,952	56,697,970
	$	19	503,398	9,979,257
To France...	lb.	285,000	68,952,400	....
	$	24,079	6,264,835	....
To Greece .	lb.	.....	7,212,800	....
	$	.....	606,144	....
To N'f'l'd' .	lb.	372,190	9,340,880	7,084,912
	$	27,220	910,626	1,475,183
To Turkey.	lbs.	.....	16,841,800	....
	$	.....	1,514,270	....
o Uruguay.	lb.	1,000,000	1,100,000	....
	$	82,500	109,450	....
To Other Countries .	lb.	155,235	196,603	367,747
	$	14,392	19,160	76,353
Total . .	lbs.	1,997,574	243,822,824	65,500,154
	$	164,786	22,256,050	11,816,166

PLANES TO FIGHT FIRES

Will Be Used By Forestry Branch in Western Canada

Aircraft patrolling the clouds in the dead of night will defeat forest fires in the great reserves of Western Canada this year. A squad of planes have been obtained by the Dominion Forestry Branch. Two main flights will be made daily over the southern Alberta districts. Enough night pilgrimages will be made to spot the smallest outbreaks of fire. These flights are made in the timbered foothills of the Rocky Mountains west of the rich agricultural country of southern Alberta, now being rapidly settled. Besides adding protection to the forest products, the new aerial patrols will minimize danger of fire in the vast grazing sections of the reserves, where thousands of head of cattle and sheep feed.

CONDITIONS IN CUBA

Some Improvement Noted—Price of Sugar Slides

"General opinion seems to be that Cuban conditions are improving because of a gradual resumption of confidence in the island," according to C. E. Bacon, assistant manager of the New York Clearing House, who has just returned from Cuba. Mr. Bacon went to Cuba by special invitation to organize the Cuban Clearing House which began operations April 25.

Conditions in the island have remained quiet during the last few weeks and the strike on the Cuba Railroad is as yet unsettled. Price of sugar has continued to slide slightly, due to lack of buying power in the American market, but conditions are expected to improve with the general easing of money that should follow the reduction of discount rates.

Earnings of Midwest Refining Co. for 1920 were larger than the $9.73 a share at first indicated. Like many other Standard Oil units, Midwest Refining Co. does not include an income account in its annual report, so that earnings can only be indicated by a comparison of balance sheets for 1920 and 1919.

THE UNION BANK OF AUSTRALIA, LTD.

Established 1837. Incorporated 1880
CAPITAL—
AUTHORIZED AND ISSUED [illegible]

Paid-up Capital ...£2,500,000
Res. Fd., £2,570,000 Together [illegible]
Res. Liab. of Proprietors....[illegible]
Total Capital and Reserve.[illegible]

Head Office 71 Cornhill, London, E.C. 3

The Bank has 181 Branches, viz:
In Victoria 41
In New South Wales.... [illegible]
In Queensland 19
In South Australia 14
In Western Australia 21
In Tasmania 3
And in NEW ZEALAND. 44

Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Incorporated 1855
Capital & Reserve $9,000,000
Over 130 Branches

THE MOLSONS BANK

If you have a good business proposition and are seeking financial advice, the knowledge and wide experience of the manager of The Molsons Bank qualifies him to give you a sound and unbiased opinion.

EDWARD C. PRATT
General Manager

5% AND ABSOLUTE SECURITY

Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.

The Empire Loan Company
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Long Term Eastern Municipals on an Attractive Basis

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HALIFAX, N.S. ST. JOHN, N.B.

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Contracting Engineers and Builders

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W. ROSS ALGER & CO.
Investment Bankers
Dealers in Government, Municipal and School Bonds.
We Specialize in Western Bond Issues
EDMONTON and CALGARY, ALBERTA

Canada Requires YOUR Help!

If you have money to invest, Canada needs it!

She needs it to build up industries that will solve the unemployment problem, turn raw materials into manufactured goods, and restore the value of our dollar abroad.

She needs it that she may become a fully developed, many-sided, prosperous nation.

She will make it grow for you, by using it productively along with the money of others just like yourself.

Let us tell you about some Canadian industrial investments through which this is being done.

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INVESTMENT BANKERS
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100 (new) Newspaper Ads. for $4.00
100 (new) Circular Letters 5.00
SYSTEM BANK ADVTSG. & LETTER SHOP
321 Hall Bldg. - Kansas City, Mo.

PRACTICAL BUILDINGS
COBB
ARCHITECT, TORONTO

CANADA STEAMSHIP LINES, LIMITED

Special General Meeting of Shareholders

A SPECIAL General Meeting of the Shareholders of CANADA STEAMSHIP LINES, LIMITED, will be held at the Offices of the Company, No. 9 Victoria Square, Montreal, on Saturday, the 14th day of May instant, 1921, at 12 o'clock noon (Standard Time), for the purpose of considering and, if found advisable:—

(a) Confirming and sanctioning By-law "C" of the Company, being a By-law to authorize the creation and issue of such further amount or amounts of the Company's First Mortgage 5% Debenture Stock and/or Bonds as the Directors may consider advisable, not to exceed in the aggregate $8,186,521.80 par value, or its equivalent in Sterling at $4.86 2-3 to the £, until the total outstanding issue of such Debenture Stock and/or Bonds, including the amount thereof now outstanding, but excluding the amount purchased and held by the Trustees for Sinking Fund purposes, be brought up to an aggregate amount of $15,000,000.00, the whole in accordance with the terms and conditions set forth in the Trust Deed entered into between the Company and Prudential Trust Company, Limited, of the 8th October, 1913, and the Supplemental Trust Deed entered into between the Company and Prudential Trust Company, Limited, and the Royal Exchange Assurance of the 11th February, 1914, and the execution by the Company of such further Supplemental Trust Deed or Deeds and such Mortgages and Hypothecs upon certain properties of the Company and Pledges and Transfers of same, and other documents and instruments as may be considered proper in connection with the creation and issue of such Debenture Stock and/or Bonds, and the securing of same in accordance with the terms of said By-law and Trust Deeds.

(b) Authorizing the Directors to pledge, hypothecate and transfer, should they deem it advisable so to do, the said $8,186,521.80 par value of the Company's said Debenture Stock and/or Bonds, or its equivalent in Sterling at $4.86 2-3 to the £, or such part thereof as the Directors may consider proper, to secure advances or loans to the Company of an aggregate amount not exceeding $5,000,000.00, or its equivalent in Sterling at the rate aforesaid, with interest thereon at a rate not exceeding 8% per annum, the whole upon such terms and conditions as the Directors may consider proper, and confirming and sanctioning By-law "D" of the Company adopted for such purpose, being a By-law to authorize the Directors to create and issue, at such time or times as they see fit, 8% Collateral Trust Debenture Stock and/or Bonds or Notes, or Bonds or Notes of such other designation and description and of such denominations as the Directors may consider advisable, for an aggregate amount not exceeding $5,000,000.00, or its equivalent in Sterling, at the rate aforesaid, same to be secured by pledge, hypothecation and/or transfer of the said $8,186,521.80 of the Company's said First Mortgage 5% Debenture Stock and/or Bonds, or of such amount thereof as the Directors may consider advisable, and in connection therewith to enter into a Trust Deed or Deeds with such Trustee or Trustees as may be chosen for such purpose, said Trust Deed or Deeds to contain such provisions with reference to redemption and Sinking Fund and such other terms and conditions as the Directors may likewise consider proper, as also to execute such pledges, hypothecations and/or transfers of such First Mortgage 5% Debenture Stock and/or Bonds, or any part thereof, and such other documents and instruments as may be considered proper in connection with the creation and issue of said Collateral Trust Debenture Stock and/or Bonds or Notes, and the securing of same in accordance with the terms of this By-law and the Trust Deed or Deeds to be entered into, as aforesaid.

Montreal, May 5th, 1921.

By order.
F. PERCY SMITH,
Secretary.

THE DEPRESSION IN TRADE AFTER LAST GREAT WAR

A Historic Parallel of Interest to the Business World

DELUSIONS OF 1918

Were no More Misleading to Manufacturers Than Those Experienced a Hundred Years Ago

By MARGARET I. ADAM,
Lecturer in History in the University of London.

In view of the present dislocation of trade it is interesting to look back upon the conditions which followed the last great war in which the nations of Europe were engaged. Gloomy as is the outlook to-day, it was no less gloomy after Waterloo. Yet Britain succeeded in weathering that crisis, and it is safe to believe that she will succeed in weathering her present troubles.

Whatever delusions people may have had in 1918 as to the economic effects of the war, they were no more deceived than were our manufacturers a hundred years ago. During the war with Napoleon the country had been subject to the abrupt alternations of prosperity and depression which were necessarily incidental to the working of the Continental system, the shifting of alliances, and the sudden opening and closing of markets. With the end of the war they looked for an end to these speculative conditions, and a return of steady markets in which Britain would reap the full benefit of the great start she had made in the application of machinery to industry.

In anticipation of this boom large stocks had been accumulated before peace was signed, ready to be sent abroad as soon as conditions were favorable. But the expected demand did not come, and Great Britain was faced in 1816 with severe industrial crises and acute distress.

"Anti-Waste" a Hundred Years Ago

Exports and imports fell heavily. Shipbuilding declined. Many of the great iron-works closed down. Coal mines ceased to be worked. In the great staple industries—cotton, wool, hardware—about one-third of the workers were out of employment, while most of the rest were working half-time at low wages. During the same year the price of provisions rose nearly 100 per cent.

Various causes were given as the explanation of the depression. One obvious factor was the war itself, which had lasted for twenty-three years. It became necessary to find work for 300,000 discharged soldiers and sailors at the very moment when industry was feeling the effects of the sudden withdrawal of Government contracts. The Government in 1816 laid most stress on this explanation, but the opposition, like its successors to-day, insisted that the root of the trouble lay in Government extravagance and heavy taxation.

This explanation, however, with its suggestively modern flavor, cannot be taken very seriously, for the trade depression certainly lightened before there was much appreciable difference in the financial burdens complained of.

For the fundamental causes of the dislocation after Waterloo we have to look outside Great Britain. The industrial revolution had given us an enormously increased capacity for production which war conditions had encouraged us to use to the full. But production on this scale had assumed that there would be a large demand for our goods abroad. With the end of the war this demand was suddenly withdrawn, and the industrial fabric of Britain temporarily collapsed.

When the Clouds Lifted

This was due simply to the general poverty that was the aftermath of the war, poverty which was intensified by the famine that prevailed all over the Continent in 1816.

Europe was in no condition to act as a normal buyer, much less to absorb the huge stocks that British manufacturers had accumulated against the restoration of trade which they hoped would accompany the return of peace. All over the Continent British goods had to be sold below cost price, where indeed they did not fail to find a market altogether.

In the circumstances trade depression in Great Britain was unavoidable. It was aggravated by the lowered consumption at home resulting from the agricultural distress, and the lowered consumption in the United States which followed the tariff of 1816 which imposed a 25 per cent. duty on all textiles imported.

About the middle of 1817, however, the clouds began to lift, and by 1818 our trade was rapidly improving. Exports rose, iron works and collieries reopened, and the textile industries soon found themselves fully employed.

Trade revived as the condition of things on the Continent improved, a result of the abundant harvests of 1817 and 1818. It is true that we did not then reach the end of our post-war difficulties, but our subsequent troubles served but to emphasize the fundamental economic truth, which we are being forced to recognize afresh to-day, that the prosperity of any one country is inextricably bound up with the prosperity of the rest of the world, and that British industry can never thrive while the Continent of Europe is in a state of chaos and confusion.

MARITIMES WANT THEIR OWN SYSTEM

Manufacturers Pass Resolution Asking Rates on Terms of Confederation

ST. JOHN.—Following the action of the New Brunswick Legislature in calling for the segregation of the old Intercolonial Railway from the Canadian National System and the lowering of rail rates, a meeting of representative Maritime business men, held at Moncton, under the joint auspices of the Maritime Board of Trade and the Maritime division of the Canadian Manufacturers' Association, passed the following resolutions:

Moved by H. J. Logan, Amherst, president of the Maritime Board of Trade, and seconded by Albert E. Trites, Salisbury, president Maritime Stock Breeders' Association, that the old Intercolonial should be operated directly under the department of railways and that the freight and passenger rates on said road should be made in accordance with the terms and promises under which Nova Scotia and New Brunswick entered confederation.

Moved by L. W. Simms, of St. John, and J. S. Smiley, of Amherst, that this meeting do request the Governments of the Maritime Provinces to convey the resolution in respect to the subject passed at a representative meeting held in Moncton, April 29, to the Government of Canada, and the secretary of this meeting be asked to notify each civic, commercial, labor and agricultural organization in the Maritime Provinces to appoint delegates to accompany the government delegates on this mission.

Moved by C. L. Martin, of Amherst, seconded by J. W. Power, of Amherst, that each Maritime Government be requested to appoint two members of a committee, these six to appoint a chairman, to act as a special committee to investigate the matter of best methods of advancing the commercial, agricultural and industrial interests of these provinces.

HUNTING OIL AT TOP OF CONTINENT

Returned Explorer From the North Tells of the Hardships

A. S. F. Rankin, the first man back from the Fort Norman oil fields on the Mackenzie River since winter locked the trails of the North, is convinced that hunting a fortune at the top of the continent is not a poor man's adventure.

"I would advise no man to start," he said, "unless he is strong physically and has plenty of grub, clothing and money. It is a hard journey even for the well equipped in any kind of weather. But the oil is there—no doubt about that—and it is going to give the world a new crop of bonanza millionaires."

Mr. Rankin went in and came out by dog team. He staked a section and bought another. Forty claims, he declared were staked during the winter around the 30,000 acres under lease by the Imperial Oil Company, on which the discovery well of 1,500 barrels a day is located. Of the 2,600 miles he covered, he mushed 2,100 on snow shoes and rode 500 on his sled.

"I left Edmonton November 25," he said, "and went to Fort McMurray by rail. There I hired an Indian guide and a dog team and struck out for Fort Norman, 1,300 miles away. My sled was loaded with provisions and blankets. My only clothes were those on my back. The cold was intense. It was 90 degrees below when I struck Great Slave Lake. I saw no game of any sort except partridges. I lived on bacon, beans, bannock, jam and tea. There was plenty of wood for cooking. I slept on spruce boughs by roaring fires.

"I usually made thirty and forty miles a day. The Mackenzie River, where I expected the easiest sledding, was the most difficult part of the journey. The ice had jammed into hills and ridges thirty feet high. I reached the Imperial Company's well February 6. I stayed there three days and then spent a week at Fort Norman, fifty-seven miles away. I got back to Fort McMurray March 26, having made the 1,300 miles in thirty-seven days."

U.S. TAKES STEPS TO DEVELOP HER FOREIGN TRADE

Gov. Harding Says Worst Troubles Past — Time To Start Something

CREDIT ARRANGEMENT

National Convention of Business Men Discuss Problems and Plan Action—Canada Must Not Lag Behind

At the National Foreign Trade Convention which assembled at Cleveland, O., last week, the expressions of opinion favorable to the progress of business in the near future, were most pronounced. A determination to organize so as to take advantage of the foreign trade offerings was evidenced and considerable progress made along the road of arranging the troubled question of finance. While admitting the persistent faculty of spreading optimism, which is so happy a weakness of most Americans, Alex. Marshall, of the Canadian Manufacturers' Association, who attended the convention in the name of the recently formed Canadian Export Association, came away with the firm conviction that the speakers who talked so hopefully of the business situation spoke from a firm belief that the worst of the depression was past and that conditions were due to experience a slow but steady rise. "Take your courage in both hands and go out after the trade of the whole world," is a sentence that seemed to express the feeling of the convention.

During the course of his address, Governor W. P. G. Harding of the Federal Reserve Bank remarked:

"The message I bring to-day is that there is now no fear of any general financial trouble in this country. There is no point in forcing liquidation any further, producers should now be encouraged to build up. The average reserve of gold and lawful money held by Federal Reserve banks has increased from 43 per cent. last year to 52 per cent. this year. They are now able to take advantage of a movement to stimulate business with a view to liquifying frozen credits, they have not been in a position to do so before. The way to thaw frozen credits is not to wait for the warmth of spring, but to help the process as you would clear the ice from a bay by breaking a way through. Start a movement to make credits more fluid.

"We have passed through the price crisis and American banking is sound; the worst of our difficulties are behind us. At the same time it must be noted that prices of certain commodities are below cost, and even below the ten-year average. Essentially the prices of certain other materials must come down in accord, or these specific articles must increase in price."

Foreign Markets Vital

The convention was a definite indication that Americans are realizing with a conviction that should result in positive action, that the policy of "no entangling foreign alliances" is a relic of a very much dead past. Jas. A. Farrell, of the United States Steel Corporation, remarked that it was not too much to say that the welfare of every man, woman and child in the United States was linked up with the correct solution of the problems of international commerce.

On this subject Governor Harding added:

"All nations today are interdependable. It is almost as impossible for any nation to prosper while other great nations are prostrate, as it is for any large section of the country to prosper while another important section is depressed."

Foreign Finance Corporation

Apparently the secondary function of the meeting was to create interest in the Foreign Finance Corporation. This was recently formed with a capital of $100,000,000 for the avowed purpose of permitting foreign nations of approved credit to make purchases in the United States. The intention evidently was to interest in the stock flotation that will soon be made such men as are by business calling directly interested in foreign trade; such for instance as bankers, steamboat owners, marine insurance men and economists of international trade, as well as manufacturers and exporters.

The Termuelen clause of the League of Nations Treaty came in for discussion and aroused considerable interest in favor of the league when it was shown that under the Termuelen clause it would be permissible for the Foreign Finance Corporation to arrange credits with foreign nations based on bonds issued against national assets and under the supervision of the League Council. This is undoubtedly a very strong argument and will appeal to the average American and induce him to see the virtue of the League of Nations. It will make the League appear essential for trade purposes.

A Message To Canadians

ONLY by increasing the sale of Canadian commodities can we avoid increasing our foreign indebtedness.
Never, even in war time, was it so essential to increase our exports.

The Royal Bank of Canada

Total Resources - - - - $550,000,000
730 Branches
No. 1

THE HOME BANK OF CANADA

Branches and Connections throughout Canada

Cheques for Travellers
Travellers' Cheques issued that will freely pass as cash anywhere in Canada or the United States. More convenient and safer to carry than ready money.

ELEVEN OFFICES IN TORONTO (S-11)

Union Bank of Canada

DIVIDEND No. 137

Notice is hereby given that a dividend at the rate of 10 per cent. per annum upon the Paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House, in the City of Winnipeg, and also at its branches, on and after Wednesday, the first day of June, 1921, to shareholders of record at the close of business on the 16th day of May next.

The Transfer Books will be closed from the 17th to the 31st day of May, both days inclusive.

By order of the Board.

H. B. SHAW,
General Manager.

Winnipeg, April 19, 1921.

Be Warned

KEEPING your insurance papers, deeds, bonds and other valuables at home until they are stolen or destroyed by fire, instead of renting a Safety Deposit Box, is on a par with "locking the stable door after the horse is stolen."

Don't procrastinate! Rent a box to-day at this Bank. 366

THE STANDARD BANK OF CANADA
TOTAL ASSETS OVER NINETY MILLIONS
HEAD OFFICE: 15 KING STREET WEST, TORONTO
16 BRANCHES IN TORONTO.

The Bank of Nova Scotia

Established 1832

Capital .... $ 9,700,000
Reserve Fund 18,000,000
Total Assets 230,000,000

GENERAL OFFICE - TORONTO, ONT.
H. A. Richardson, General Manager.

Branches at all the principal centres throughout Canada and in Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica, and in the United States at—
Boston Chicago New York
London, England, Branch,
55 Old Broad Street, E.C. 2.

Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.
Correspondence Solicited.

The Weyburn Security Bank

Chartered by Act of the Dominion Parliament
TWENTY-FIVE BRANCHES IN SASKATCHEWAN
HEAD OFFICE, - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

New Issue:

PROVINCE OF ONTARIO

15-year 6% Gold Bonds

Denomination: $500 or $1,000

Price $99.50 and Interest

We strongly recommend and offer these bonds.

Campbell, Thompson & Co.
Canada Life Building, Toronto

THE CANADA TRUST COMPANY

New issue

Province of Ontario
6% Bonds Due 1936

Principal and half-yearly interest payable in Canada.

Denominations $1,000
Price 99.50
To Yield 6.05%

Bond Department

CANADA TRUST Co.
14 King St. E. Toronto

There may be Unexpected Value in Your Unlisted Securities

Let us place a valuation on your holdings and advise you as to their future possibilities.

We are specialists in unlisteds, and our service and monthly letters are yours for the asking.

RICHARDSON, SHEPPARD & THORBURN
LIMITED
INVESTMENT SECURITIES

Royal Bank Bldg. - Toronto
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THE NATIONAL CITY COMPANY
NATIONAL CITY BANK BUILDING
NEW YORK

Invest Your Interest Money In More Bonds

You should invest your May interest and dividend payments in high-grade bonds.

At the present time, some of the most desirable Bonds are selling at a discount—or less than their face value and return an attractive yield on the investment.

The National City Company is at your service to suggest ways for re-investing your income and surplus funds.

The National City Company
Limited

Canadian Head Office:
74 Notre Dame Street West, Montreal.

10 King St. East, Toronto, Ont. — McCurdy Building, Halifax, N. S.

Governor Miller, in formal statement crediting the legislature with checking the mounting expenditures of the state, declared that a reduction of more than $18,000,000 in the cost of government was effected this year.

EAST AND WEST MET TO CONSIDER LOAN SITUATION

Representative Meeting of Mortgage Men at Winnipeg

ABOUT SWIFT CURRENT

An Arrangement Made Between Representatives of the Bondholders and of the City

The annual meeting of the Dominion Mortgage and Investments Association this year was held at Winnipeg this week and at this point of the merging of interests of East and West the event assumes unusual importance. The large contingent from the East, together with the representatives of the Western institutions, made the meeting most representative and permitted a most broad and comprehensive discussion of matters pertaining to the mortgage situation in Canada. Matters considered had to do with outlook for capital, legislation, etc., etc.

According to wired advice to THE FINANCIAL POST a meeting of Swift Current bond holders with representatives of the city, held Wednesday, came to an understanding that the affairs of the city be placed under the control of a committee with three representatives of bond holders and two of the city. Principal payments falling due and sinking funds to be suspended for a period of five years. This arrangement conditional on concurrence of those who have taken action against city.

On the question of seed grain liens the report of the executive said:

Continued inconvenience and loss by mortgagees has, during the year, resulted from the existence of the liens taken by the Dominion Government for the security of advances on account of seed grain, fodder and relief. So far no tangible results have followed our efforts to obtain equitable apportionment of the amount of advances against lands upon which they are secured. Nor has it been possible to obtain indemnity from loss sustained by reason of relief liens which were not intended to rank prior to existing charges. The residue of this class of lien outstanding is now approximately $2,400,000 as to principal and a very considerable sum as to interest. Of both a considerable proportion is no doubt against unpatented lands. All the liens unpaid have now been in existence for a longer period than the term of an ordinary mortgage.

The committee on Ontario legislation dealt particularly with the efforts in this province to bring down a bill to control rentals. On this question the committee represented the stand of the association as follows:

The demand for such legislation is not general;

It would be unjust to a great majority of landlords who have not raised their rents unduly;

It would hamper borrowers in procuring capital for building purposes, and

It would interfere with existing contracts.

ABOUT 70 P.C. OF WESTERN WHEAT CROP IN GROUND

Continued from page 1

chewan Government by Messrs. Jas. Stewart and F. W. Riddell, chairman and vice-chairman respectively of the late Canadian Wheat Board. It will be remembered that when the question of a wheat pool was being actively discussed by the various bodies of organized farmers in their annual meetings, that the Saskatchewan Government asked these experts for an opinion on the feasibility of wheat pools under certain conditions. The report is in response to the request made early last March by Mr. Martin, who asked the following specific questions upon which the Saskatchewan Government especially desired information and advice:

The Questions Asked

1. Is it possible for any kind of pool comprising less than the whole of the Western wheat crop to market the crop to the same advantage, from the producers' point of view, as a system of national marketing of the whole crop by a Canada wheat board?

2. What advantages to the producer over the present marketing system would there be in any kind of pool which comprises only a portion of the crop?

3. Are such advantages, if any, sufficiently certain to justify producers entering into long term pooling contracts?

4. To what extent would such long term contracts provide a safe selling basis for the pool prior to the actual delivery of the wheat?

5. How could a long term contract pool, operating over the whole West, be sure of sufficient financial backing to enable it to hold enough wheat off the market in times of glut to ensure reasonable stabilization of prices?

6. Would it be wise from the producers' point of view, to embark on a full scale system of long term contract pooling at once, or to conduct instead, one or more large scale experiments of a voluntary character?

7. If your answer to Question 6 is favorable to a full scale system of long term contract pooling operating over the whole West, can you recommend the best means of co-operation on the part of the Government of the province in order to attain the best results for the producers, always having regard to our constitutional limitations?

8. If your answer to Question 6 is favorable to large scale experiments of a voluntary character, can you recommend the form such experiment should take in this province, the principles upon which it should operate, the general scheme of operation and also what assistance, if any, is required from the Government of Saskatchewan, either by way of legislation or finance?

The report is a lengthy one and very comprehensive. Among the outstanding features of it is that both of these men state that they believe that the most perfect form of centralized wheat market agency at the present time can be created only under the control of a national organization. Having said that, they deal with a question of pools that would cover less than the whole crop and are emphatic in their belief that any pool of this kind must be voluntary in character to be successful. They strongly deprecate the idea of a legal contract, which it will be remembered was one of the outstanding features of the tentative plan submitted by the committee appointed by the Canadian Council of Agriculture.

Messrs. Stewart and Riddell put their views very succinctly in the phrase, "It's not the contract that matters, but wheat," and they lay great emphasis on the fact that such a pool, success or failure, is wholly in the hands of the producers. They think that a voluntary board of this kind would have little difficulty in financing, being of the opinion that the banks would regard it favorably, but suggested that if the banks did not finance it that one of the functions which the Provincial Government might perform would be to provide credits for the operating of the pool.

One phrase in the report is of especial interest. It reads, "The advantages of the proposal we have dealt with in this answer are that the adoption of it provides a further marketing agency and one which can be operated with the least disturbance of existing facilities."

DEPRESSION AFFECTS CANADIAN COTTONS

Profits Much Under Half of Those Reported a Year Ago

MONTREAL.—The financial statement of Canadian Cottons for the year ended March 31, 1921, reflects in no uncertain way the readjustment in industry during the past year. Quoting from President C. R. Hosmer's report, "the first half of the year was favorable, but during the last six months your company was materially affected by the severe and wide depression which existed in your business, on account of the lack in demand for merchandise, cancellation of orders and the depreciation of inventories to market values. In some cases, the value of cotton goods, such as your mills produce, fell over 50 per cent. In following the usual custom of protecting unfilled customers' orders exceedingly large losses were incurred."

The earnings statement for the year shows that the company earned 16.88 per cent. on the common stock before depreciation and 9.6 per cent. after depreciation of $200,000. This, compared with 23.24 per cent. in the preceding year, which was a record in the company's history.

Although business fell off in the last six months of the year, total business done was above the banner year of 1919-20, sales reaching $11,231,102, against $11,148,438 in that year. With the inclusion of other amounts a total of $11,496,580 was reached, against $11,290,116 the preceding year.

The cost of raw material, manufacturing cost, marketing of products, repairs and maintenance, however, showed a marked increase, amounting to $10,817,112 against $9,709,071 in 1919-20. This left profits at $679,468, against $1,581,045 in 1919-20, and $1,365,103 the previous year.

WHEN GARY SPEAKS

Interest In Statement to Iron and Steel Institute

The American business community is awaiting with considerable interest the regular spring meeting of the American Iron and Steel Institute to be held in the Hotel Commodore on May 27. Judge E. H. Gary, chairman of the United States Steel Corporation and president of the institute, will deliver his semi-annual address, and it will attract interest because it is known that Judge Gary has his ear close to the ground most of the time and anything that he may have to say at the meeting respecting the general business situation probably will be considered of much importance.

WAGE READJUSTMENTS IN MANY INDUSTRIES

Widespread Change in Labor Situation—The Attitude of Workers

Readjustment of wage scales to lower levels is in progress in fourteen of the principal manufacturing industries of the United States. Official data compiled by the Department of Labor and other agencies in Washington indicate that the return to normalcy so far as wages is concerned has reached into every industrial centre of the nation and into virtually all its industries.

Unanimous decision has been reached by employers in all the building trades of Philadelphia to reduce the wages of 65,000 workers 23.9 per cent., or from an average of $1.16 to 88 cents an hour on May 1.

The builders adopted the lower scale in accord with the report of their committee of twenty-three, headed by Edward J. Flannery. Future negotiations with the unions, which have refused to accept the new scale on the ground that they were not consulted in the framing of it, are left in the hands of the committee.

Willing to Arbitrate

Practically all the building trades unions throughout the country are willing to submit the question of wage reductions to arbitration, William Hutcheson, president of the United Brotherhood of Carpenters and Joiners of America, announced recently after a meeting of the executive council of the building trades department of the American Federation of Labor.

While the council has gone on record against wage cuts, the labor leaders said the unions were "willing to consider and accept any equitable wage adjustment that would be fitting in view of any reduction in the cost of living. We want to be fair and see building boom," he added.

The big building trades strikes in Chicago, Boston, Philadelphia and many other places, Mr. Hutcheson said, probably could be settled if the employers would submit the wage question to an impartial arbitration commission.

CHANGES DURING THE WEEK

	Last May 4	Sale May 11	Ch'ge
Abitibi, com.	34¼	37	+ 2¾
Asbestos, com.	58	63	+ 5
Do., pref.	80½	83	+ 2½
Atlantic Sugar, com.	29	32	+ 3
Brompton Pulp	33	36⅜	+ 3⅜
Can. Gen. Elec., com.	107½	108¾	+ 1¼
C. P. Rly.	125¾	130	+ 4¼
Can. Steamships, pref.	44	53½	+ 9½
Detroit Railway	77½	83	+ 5½
Dom. Glass, com.	50	57	+ 7
Dom. Textile, com.	122	126½	+ 4½
Duluth Superior	22	26	+ 4
Howard Smith, com.	80	83	+ 3
Do., pref.	*85	79	— 6
Laurentide Paper	88¾	92⅞	+ 4⅛
Lyall Cons.	61	62	+ 1
Mackay, com.	73½	74	+ ½
Montreal L., H., Cons.	84¼	85	+ ¾
Nat. Breweries, com.	43¾	51¼	+ 7½
Price Bros.	36	37	+ 1
Quebec Rly.	23¾	26	+ 2¼
Riordon Pulp, com.	23½	25	+ 1½
Do., pref.	35	35½	— *
Shawinigan	105	108½	+ 3½
Span. River Pulp, com.	72	75½	+ 3½
Do., pref.	76⅞	81	+ 4⅛
Toronto Railway	70	71¾	+ 1¾
Wayagamack	69	71	+ 2

*Last previous sale.

Public Utilities Cannot Stand Still

THEY must grow to meet the increasing requirements of the public and of industry.

The right of the Public Utility to earn a fair reasonable return on the capital invested is now generally recognized as being in the public's own best interest and as a consequence those seeking investments that assure safety of capital and the certainty of a liberal income return are today turning to Public Utility Securities.

NESBITT, THOMSON
and Company, Limited
Bank of Hamilton Bldg., TORONTO
Montreal Hamilton London, Ont.
75

WHY Investors Buy Casualty Insurance Stock

BECAUSE: Government Records Prove That It Is Unusually Safe and Highly Profitable.

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These are the Leases on which Mackenzie River Oil Limited will drill this Summer
(No Personal Liability)

These are the Business Men who will Manage the Company

OFFICERS and DIRECTORS

President, C. MILLAR,
Millar, Ferguson and Hunter, Toronto.
President, Alberta and Arctic Transportation Company, Limited, Toronto.

Vice-President and General Manager, F. E. DAVISON,
Mine Owner, Toronto.
President, Universal Gas and Oil Limited, Toronto.

Treasurer, W. J. SMITH,
President, John B. Smith and Sons, Limited, Toronto.

Director, R. J. FLEMING,
Manager, Toronto Street Railway.

Director, E. W. BACKUS,
President, Fort Frances Pulp and Paper Co., Ltd., Fort Frances, Ont.
President, Keewatin Lumber Co., Ltd., Kenora, Ont.
President, Minnesota & Ontario Paper Co., Ltd., International Falls, Minn.

To finance the purchase of drilling rigs, supplies, cost of expedition and development work, the company now offers the first one hundred thousand Treasury Shares at $5.00 per share, $10.00 par value, (fully paid and non-assessable and not subject to call).

For Complete Prospectus of the Company, write to

Mackenzie River Oil Limited
(No Personal Liability)

Head Office: 59 Yonge Street TORONTO Adel. 26

Better Exchange

Your Municipal or Government Bonds payable in New York for the new Ontario Bonds. Consult us to make good profit.

Security—then Profit.

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C.P.R. BLDG. TORONTO

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You Don't Have To

allow your savings to lie dormant at small interest nor risk them in speculative stocks.

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good, safe bonds that have stood the test of time will return as much from the very start as most speculative investments ultimately pay, even if they do make good.

Ask for Our List of Quickly Marketable Bonds Yielding 6% to 9%

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General Manager Western Canada
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UNLISTED SECURITIES.

	Bid.	Asked.
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Do., pref	77	84½
Brand-Henderson, pref.	90	93½
British Amer. Assur.	7	10½
Can. Mach., pref.	..	52
Can. Oil, com.	63	69
Can. Westinghouse	103½	108½
Can. Woollen, pref.	60	70
Cockshutt Plow, 7%, pfd.	54	58½
Cuban Can. Sugar, pref.	15	18
Dom. Power, com.	26	..
Do., pref.	88	91
Dunlop Tire, pfd.	86	92
Eastern Theatres, com.	12	14¾
Goodyear Tire, 7%, pfd.	48	54
Home Bank	98	100½
Imperial Oil	105	110
King Edward Hotel, com.	64	69
Manufacturers' Life	170	200
Murray-Kay, pfd.	59	66
Massey Harris	..	93
National Life	150	..
North Amer. Pulp	3¼	3¾
North Star Oil	..	4⅞
Riordon, c (new stock)	4	5
Do., pref. (new stock)	27	30
Robt. Simpson, pfd.	77	82
South. Can. Power, pfd.	..	75½
Sterling Bank	106	113
Sterling Coal, com.	23	..
Trust & Guarantee	68	74
Western Assurance	8	11½
Dom. Foundries, com.	37	42
Do., pref.	82¾	85
British Amer. Oil	31	32
Dominion Fire	45	..
Provinciale Bank	122	124½
Loew's London	3½	5¼
Abbey Salts	.20	..
Crocker Wheeler, pfd.	70	..
Marconi Wireless	1	2
Peoples Loan & Sav.	..	80
Famous Players, pfd.	..	78

RIORDON PLANS COVER FINANCING TO END OF YEAR

Even if Present Slackness in Business Still Continues

MANAGEMENT CHANGE

As Soon as Money is Forthcoming and More Operating Economies—Semi-Speculative

From Our Own Correspondent.

MONTREAL.—The Riordon situation begins to emerge a little more clearly out of the clouds of the week. There appears to be a general belief that the report of the special committee is a frank and truthful presentation of the affairs of the company. As such it is welcomed. The investor, these days anyway, likes to know the worst. Perhaps in the case of the Riordon letter the situation has been interpreted as a little worse than it really is.

On the face the letter is open to the interpretation that the company requires $5,500,000 to save it from liquidation, but many have read into it a suggestion that more money may be needed even in the near future. THE FINANCIAL POST is informed that the underlying basis of the proposals set before the shareholders is that if the sum of money asked for is subscribed the company will be able to carry on without any additional help up to the end of the year, even if present market conditions in bleached sulphite pulp show not a trace of improvement. Today's slackness may continue for six months—almost any eventuality may arise—and the company will be able to go on. And present conditions in the pulp market are not expected to continue even over a six months' period. Some time next fall business is expected to pick up considerably and thenceafter improve steadily. If so, the financial condition of the Riordon Company will be that much better than the minimum laid down in the letter to the shareholders, a minimum that the proposed financing guards against up to at least the end of the present year.

It may also be taken for granted that as soon as the money asked for is forthcoming the management will be so strengthened as to insure that the present situation will not recur, and it was to attain this end that the Voting Trust was devised. Besides radical changes in management further operating economies will be effected to conform to the changed conditions that face the industry in the wake of the boom period.

It is learned that the plan of financing was worked out in consultation with some of the larger shareholders and met with their full approval and support. The response so far to the appeal made the shareholders in general may be regarded as fairly promising. From the standpoint of yield the bonds are offered to the individual buyer practically on an underwriting or banking basis, and the bonus of 75 per cent. of 7 per cent. cumulative preferred is attractive from the semi-speculative standpoint. While under present business conditions there can be little expectation of immediate dividends the preferred issue is a cumulative one. The heavy liquidation of the common and preferred securities that was expected in some quarters has so far failed to take place; that much, at least, is favorable as an index of the sentiment of the shareholders towards the efforts that are being made to rehabilitate the company.

LISTING EMPIRE STEEL

Two Preferred and Common Issues To Be Traded

From Our Own Correspondent.

MONTREAL.—Formal applications have been made to list the British Empire Steel Corporation stocks on the Montreal, Toronto, New York and London exchanges, covering the two preferred issues and the common. This will establish some sort of basis for a valuation of the common shares of the constituent companies and enable the preferred shareholders also to decide more easily what to do. It was stated officially to THE FINANCIAL POST this week that the legislation secured for the merger did not make it necessary for the preferred shareholders to exchange their securities; they can hold the old preferred stocks or exchange as they please. The exchange of the common shares, however, is compulsory, as this was voted on favorably by an overwhelming proportion of the common shareholders.

QUEBEC RAILWAY

Good Prospects Reported For Local and Radial Traffic

From Our Own Correspondent.

MONTREAL.—At a meeting of directors of Quebec Railway Light, Heat & Power Co. this week the general manager, W. J. Lynch, reported favorably on the company's prospects for tourist traffic for the summer. This benefits the company not only in the street cars of Quebec City but in the radial trips it controls to Montmorency Falls and St. Anne de Bellevue. The fiscal year of the company ends on June 30 and it is understood that instead of a deficit of some $45,000 as shown last year a surplus is among the possibilities. There is steady trading in the stock of late, and this week there was a recovery of a couple of points in the strong market that developed generally.

PAPER MILLS ARE CLOSED BY STRIKE

Men Standing Firm Against Thirty Per Cent. Cut in Wages

From Our Own Correspondent.

MONTREAL.—The strikes among the paper mills have gone on as expected. Spanish and Abitibi, it is understood, are closed down, and St. Maurice and Price Bros., while Laurentide, Brompton, and Donnacona continue under old time wage scales until new ones are agreed upon. The men are standing firm so far against the reduction of 30 per cent. in wages, and the struggle may be prolonged for several weeks. The mills that are continuing are producing a larger output that will partly make up the difference, but a fair part of the surplus of newsprint is certain to be consumed, and thus strengthen the market slightly. The main advantage the mills feel will accrue will be the permanent reduction in wages and hence the costs of operations.

TEXTILE'S SALES CREATE RECORD

One of Best Statements Coming—Stock Strong With Rumor of Bonus

From Our Own Correspondent.

MONTREAL.—One of the strongest stocks this week, even in a good imitation of a "bull" market, was that of Dominion Textile Company, and the price went to a new high for many months. There seemed little definite news behind the rise, and the popular rumor was that the company was going to raise the dividend from ten to twelve per cent., the extra being in the nature of a bonus for the Verdun plant. As the increasing of dividends at this period is such an unusual affair little credence was given the report. On the other hand it is known that the company's statement for the year ending March 31, 1921, to be submitted to the shareholders at the annual meeting on May 30, will be one of the best in the company's history, better on an average than the majority of textile companies. Dominion Textile had the advantage last fall when reductions were made in the list prices of having a rule whereby prices were maintained on orders still undelivered, provided the company was not "in default" on deliveries for those orders. Thus its scale of profits held up long after those of most had fallen. It is understood that the record of sales will be the largest in the company's history.

C. P. R. FINANCING

Statement by President Beatty Re New York Reports

As a result of reports from New York in reference to C.P.R. financing the president, E. W. Beatty, K.C., issued the following statement on Wednesday:

"With reference to the rumors current in New York as to prospective Canadian Pacific financing, President Beatty said that all statements appearing in New York and Montreal papers were based upon nothing but rumors and were guess work, pure and simple.

"The President stated that the matter had not even been considered by the directors and if and when any financing was decided upon it would, at proper time, be announced by the company itself. He called atention to the fact that the company had no fiscal agents in New York and that, therefore, any suggestions coming from banking sources there were entirely unauthorized.'

PORTO RICO

The Porto Rico Railways Company reports gross earnings for the month of March amounting to $117,977 as compared with $110,944 for the same month in 1920, an increase of $7,032 or 6.3 per cent. Net for the month amounting to $49,005, showed an increase of $3,435 or 7.5 per cent.

For the three months ending with March the gross totalled $340,885, an increase of $23,934 or 7.5 per cent., while net at $143,507 was higher by $21,292 or 17.4 per cent.

BRICK COMPANY'S BONDS EXCHANGED FOR 7% PREFERRED

Reorganization Forced Upon National Brick Company

NEW BONDS $750,000

To Be Used As Collateral Only to Secure Funds—Business Fell Off Badly, Profits Only $30,000

From Our Own Correspondent.

MONTREAL.—A further reorganization of the National Brick Company, of Laprairie, has been forced as a result of the falling off in demand for the company's products during the past six months or so. In a letter to the shareholders the bondholders' committee state that during the year 1920 there was a fair demand for brick, but manufacturing operations were seriously impeded by the coal shortage and transportation and labor troubles; in consequence the net operating profits of the company for the year 1920 amounted to only $30,103. Business fell off sharply in the fall of 1920 and the company received a large number of cancellations. "As a result, considerable advances which had been secured for manufacturing operations were not repaid and are still outstanding. Further working capital is required to finance the repayment of these advances and the reopening of the plant."

In this extremity it has been decided to wipe out the outstanding bonds by exchanging them into preferred stock, and making an issue of $750,000 of bonds to be used as collateral for a loan to provide working capital and meet pressing obligations. A special meeting of shareholders and bondholders has been called for June 15 to ratify these changes.

The issue of preferred stock will be made through increasing the capital stock of the company from $2,000,000, as at present, consisting entirely of common stock, to a total of $5,500,000, the new stock, $3,500,000 being entirely preferred 7 per cent. cumulative. The bonds outstanding amount to $2,319,100 and bear 6 per cent. interest. Some time ago there was a reorganization effected whereby the bondholders agreed to accept three years' script in lieu of interest for that period, and to have payments of interest deferred until Oct., 1922, and even then the company was not to be considered as in default so long as 2 per cent. was paid as interest. The new plan arranges for the funding of the scrip and arrears of interest on the bonds by payment in preferred stock, raising the amount to cover all from the $2,319,100 to $3,500,000 as provided for.

The new bond issue will consist of six per cent. thirty-year first mortgage bonds to the extent of $750,000. Power will be given to pledge or hypothecate part or the whole of this as security for any sum of money to be borrowed by the company.

WM. PATTERSON, LTD.

A New Issue of 8 Per Cent. Preferred Stock

An issue of $200,000 8 per cent. participating preferred stock of the William Patterson, Limited, manufacturers of biscuits and confectionery, of Brantford, is being made by L. M. Green & Co., Toronto, at $100 with a bonus of 30 per cent. in common. The business was established in 1863 by the late Hon. William Patterson, and has had a steady growth throughout the 57 years of its existence. The capital is $125,000 6 per cent. 20-year sinking fund bonds; $200,000 8 per cent. preference stock, and $200,000 common stock. According to the prospectus the average earnings of the company available for dividends for the last three years were $43,710, which after paying bond interest were equal to over twice the amount required for preferred dividends, and equal to over 10 per cent. on the common stock.

Someone Will Administer Your Property

Do you prefer that he be someone chosen by another than yourself, who knows little of your affairs and plans. Or that it be someone you choose yourself and inform about them?

The first person would be an administrator, the second an executor. We act as either, but prudent people appoint executors.

Write for our Booklets.

National Trust Company Limited

Paid-up Capital and Reserve, $4,000,000.

Assets under Administration over $94,000,000.

18-22 King Street East
Toronto

RAILROAD EARNINGS

Earnings for the first week of May reported by the Canadian Pacific Raiway total $2,925,000, a decrease of $595,000 or 16.8 per cent. as compared with the corresponding period in 1920.

For the last week of April earnings of the Grand Trunk Railway totalled $2,241,310, an increase of $157,112 or 7.5 per cent., compared with the previous year.

DULUTH-SUPERIOR

The Duluth-Superior Traction Company shows earnings for the last week of April amounting to $44,418 as against $47,405 for the corresponding period in the previous year, a decrease of $2,986 or 6.3 per cent. For the year to date the earnings total $643,797, a decrease of $39,932 or 6.2 per cent.

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Back Your Merchants Through These Specialized Trade Newspapers

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32nd Year.

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2nd Year.

Dry Goods Review
32nd Year.

Men's Wear Review
11th Year.

Sanitary Engineer
14th Year.

Bookseller & Stationer
37th Year.

Members Audit Bureau of Circulations

A manufacturer you know in Western Ontario found the big accounts pretty well in the control of other manufacturers of a similar product. To dislodge this trade meant a long, hard struggle.

But he saw hundreds of merchants doing a big business in small centres and in the suburbs of the large cities seldom reached by salesmen. He decided to concentrate on this field—and wait for the bigger merchants to fall in line.

His salesmen couldn't see all of them at once. So he told the story of his goods, his house policy, and the trade possibilities in every issue of his trade newspaper.

The business grew from the start steadily; account after account was added — salesmen reported that these merchants had orders ready for them when they called.

To-day this far-sighted manufacturer has a big business built up; for not only does he enjoy the trade of the small merchant, but the trade of the bigger houses has come as well through his regular talks in his trade newspaper.

This is but another instance of the business-building power of MacLean Trade Newspapers. Merchants in small towns as well as in cities read them for news of products and merchandise it pays them to sell.

Are you developing this profitable market? You can do so by advertising in the **right** Trade Newspapers where your interests are assured through **audited circulation.**

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Publishers of the above specialized trade newspapers.

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MANUFACTURERS OF

ANILINE DYES AND COAL TAR PRODUCTS

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have opened a Canadian Office and Warehouse at

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Telegrams: "DYEWARES MONTREAL"

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A. KELLY, *President* — J. E. MACFARLANE, *Gen. Mgr.*

Head Office: Toronto

Mills at
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Daily Capacity—Flour, 10,000 barrels — Rolled Oats, 1,000 barrels

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Hydraulic and Steam Power Developments
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COAL

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Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns.

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MACDONALD'S CUT BRIER

1/12 lb. Package 15c
1/2 lb Tin . 85c

More Tobacco for the Money

ONLY $5,500,000 WILL SAVE RIORDON FROM LIQUIDATION

Serious Conditions Outlined in Report of Special Committee

8% BONDS AND BONUS

Offered to the Shareholders—Call to Save the Property—Mortgage Indebtedness $26,000,000—1920 Earnings

From Our Own Correspondent.

MONTREAL.—There was no halo of "romance" about the letter to the shareholders of the Riordon Co. from the committee of former outsiders that had been placed in power in an effort to save the company. There was no attempt to prepare a soft place for the letter or the real facts to rest upon: the truth was stated coldly, almost brutally. If the shareholders did not raise some millions of dollars by the first of June the company would be forced into liquidation.

The salient facts in the case were lined up almost like a battalion: the financial position of the company was "serious"; "it is apparent that its present position is due to commitments for construction and other expenditures having been undertaken before adequate financial arrangements were made — the construction expenditures on the Kipawa plant having exceeded the original estimate of cost—and to the world-wide reaction in general trade conditions." "Shipments and consequently receipts for the last five months," the letter stated, "have fallen far below those anticipated. These combined factors make it of the utmost urgency that further working capital be furnished at once."

Deficit Working Capital, $3,700,000

The serious impairment of the working capital is indicated by the total current liabilities, as at March 31, 1921, of the Riordon Co. of $12,714,483, to which must be added commitments for plant, etc., not yet delivered of $1,500,000, making a total of current liabilities of $14,214,483, as against current assets of $10,451,680, the result being that there is a present deficit of working capital of $3,762,803.

Offer Shareholders Bond Issue

To save the company, then, an issue is offered to the shareholders for subscription of $5,000,000 ten-year 8 per cent. mortgage and collateral trust bonds at 90, giving a yield of 9.55 per cent., and along with this goes a bonus of 75 per cent. of the 7 per cent. cumulative convertible second preferred stock of the company, a portion of which up to the present had rested in the treasury for the benefit of the common shareholders of the old Riordon Pulp & Paper Co.

Must Get $5,500,000 by June 1

It is added that "unless by June 1 subscriptions for these bonds are received for an amount which, together with the amount to be realized from the sale of the first mortgage bonds which the company is negotiating, will assure the company at least $5,500,000, no subscription will be accepted, and the moneys paid on application will be returned." Even with the amount of money secured as mentioned, it may be necessary, "in order to be sure of successful operation in future, to obtain the consent of the creditors to an extension of time in which to liquidate the company's indebtedness to them."

Or,—Liquidation

Then comes the final climax tersely stated: "Unless the shareholders respond to this appeal, it will, in our opinion, be impossible to carry on the business of the company and liquidation appears to be the only alternative."

Senator Edwards Added

In the list of signatures one new name appears, that of Senator W. C. Edwards, who has been added to the board of the Riordon Co. since the original announcement, and is associated with Frank P. Jones, F. E. Bronson, Geo. M. McKee and F. N. Southam.

A further detail is that "a Voting Trust will be created, by which voting control of the shares of your company will be placed for a period of five years in the hands of five voting trustees to be nominated by the bankers interested in the company and its securities." Thus the removal of control from the old board would appear to be complete.

Fundamentally Sound

Such is the outline of the plan to preserve the Riordon Co. from liquidation. Interspersed are opinions favorable to the ultimate outcome, as to the value of the company's several assets. The position of the company is declared to be "fundamentally sound"—provided additional working capital can be furnished at once. The business is "noted for the excellent quality of its product"—bleached sulphite pulp.

Profits, for instance, show a heavy increase for 1920 over preceding years. The following figures of earnings are supplied:

The Riordon Company

For the three years ended December 31st, 1918, to 1920, inclusive, the earnings and income from investments before profits taxes, of the properties operated by Riordon Company, have been as follows:

	1918.	1919.	1920.
Profits	$1,651,259	$1,958,791	$4,642,630
Deprec.	544,609	573,763	958,042
Net Earn.	$1,106,650	$1,385,028	$3,684,588
Bank Int.	98,116	136,812	255,913
Bond Int.	121,971	313,055	358,300
Net Pfts.	$ 886,563	$ 935,161	$3,070,375

The Ticonderoga Company

The earnings of the Ticonderoga Company, before profit taxes, for the past three years have been as follows:

	1918	1919	1920
Profits	$422,777	$510,824	$778,818
Depreciation	139,221	145,296	148,175
Net profits	$283,556	$365,528	$630,643
Interest	64,585	83,843	75,729
Net Earn.	$218,971	$281,685	$554,914

The Gatineau Company

For the year ended December 31, 1920, the Gatineau Company, Limited, earned, after providing for all interest on borrowed moneys, mortgages, etc., but excluding interest on its debt to Riordon Company, Limited, $474,000, from which will have to be deducted income tax for that year and any allowances which should be made for depreciation.

It is then suggested that these showings "will convince the shareholders that their equity in the company should be preserved," the opinion being expressed that the business "should continue profitable."

Appended to the letter are copies of the balance sheet of the Riordon Co., the Ticonderoga Pulp & Paper Co. and the Gatineau Co. It may be noted that bank loans of the Riordon Co. amount in all to $5,934,445; bills payable to $2,160,112; trade accounts to $2,692,126; accrued liabilities and Government taxes to $1,328,221; accrued bond interest, $224,577, and preferred dividends as due April 1, 1921, $375,000, a total of $12,714,483.

Current assets include inventories of $9,275,322; accounts receivable of $690,833; cash of $212,307; other accounts receivable, etc., of $273,217; a total of $10,451,680.

Mortgages include an amount of $1,700,000 on the O'Brien properties, including $500,000 due September, 1921, with a similar amount due September, 1922, and $700,000 due September, 1923. On the Bronson properties $650,000 is due April 1, 1925.

The Ticonderoga Co. has bank loan of $300,000, and total current liabilities of $1,471,923, with current assets of $1,664,780, including inventories of $876,674.

The Gatineau Co., which comprises the new Edwards and Gilmour-Hughson limits, has $30,000,000 issued of common stock. There are two mortgages, one issued to W. C. Edwards & Co., due May 1, 1925, for $3,000,000, and $2,000,000 due Gilmour & Hughson on January 1, 1925. There is a liability also of $5,343,860 to the Riordon Co., Ltd.

The various items of funded and capital indebtedness work out as follows:

The Riordon Company

8% 20-year, 1st mort. and refunding gold bonds*		$ 5,150,000
6% bonds of R. P. & P. Co.		5,816,300
Mortgages on prop, purchased		2,744,500
New issue, 8% bonds		50,000,000
Total		$18,710,800

*Additional amount, of about $1,500,000, held on option, would bring total to over $20,000,000.

1st proferred, 8% stock		$10,000,000
2nd preferred, 7% stock		10,000,000
Common stock		27,000,000
(Of R. P. & P. Co., $6,000,000 of common, and $1,500,000 of preferred).		

Ticonderoga

Bonds, 5% gold	$244,500	
Bonds, 6% gold	748,000	
		$ 992,500
Capital stock		400,000
Total		$1,392,500

The Gatineau Company

Mortgages—Edwards & Co.		$ 3,000,000
Do., —Eilman & Hughson.		2,000,000
Total mortgages		$ 5,000,000
Capital stock, common		$30,000,000
Authorized pref.	$15,000,000	

Note: The Riordon Company owns all the capital stock of the Gatineau Company and the majority of the Ticonderoga P. & P Co.

$4,000,000 BONDS OF FARMING MACHINE CO.

Equipment and Rolling Mills at Montmagny Issue Bonds—Refunding $2,000,000

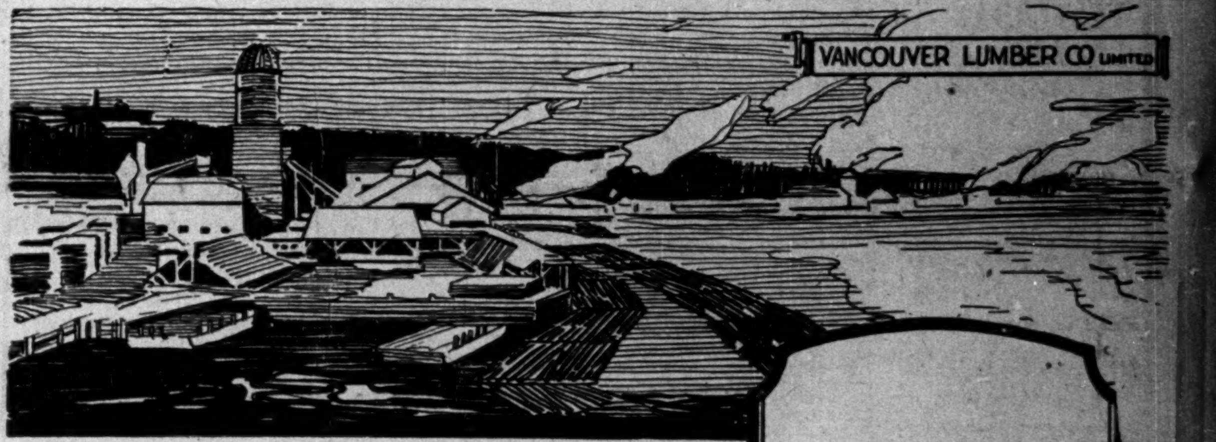
From Our Own Correspondent.

MONTREAL.—An issue of $4,000,000 of first mortgage gold bonds of the National Farming Machinery Co., Ltd. (Machine Agricole Nationale, Limitee), of Montmagny, Quebec, is being offered by Major Emile Ranger, Credit Canada, and Le Credit Industrial. The price is par with accrued interest. This company, which has been in existence for nearly twenty-five years, was very active during the war in the manufacture of munitions, employing 1,800 men at one time. Afterwards it was decided to develop all kinds of farming machinery including a line of road machinery in which the company had won signal success for several years. In addition the plant is equipped for a rolling mill business on a large scale, with blast furnaces, Bessemer steel converters, electric furnaces, etc. The capacity of the plant is 60,000 tons of steel per annum, and $8,000,000 of agricultural machinery, with a projected output this year of 20,000 tons of steel and $2,200,000 of machinery.

The issue will be used to retire an existing issue of $2,000,000 of bonds, to reimburse the banks and to provide additional working capital necessary for the development of the company.

INTERNATIONAL PETROLEUM

International Petroleum has purchased one of the larger islands at the mouth of the Magdalena river, Colombia. It is planned to erect a 25,000-barrel refinery on this site so designed that it can be enlarged gradually and eventually develop into one of the world's largest refineries. As railroad facilities are limited in the Caribbean republics the Magdalena river has become the principal line of communication from the interior to the coast. Therefore the acquisition of this island at the junction of the river and tidewater should give the company a strategic location for its plant.



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—Vancouver Lumber Co. Limited.

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—Garden City Paper Mills Co.

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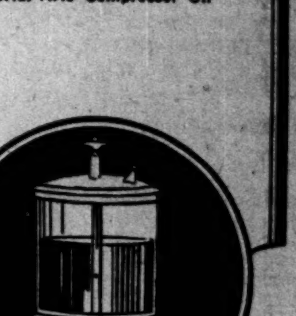

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TORONTO RAILWAY

The Toronto City Council has passed a by-law authorizing the issue of $10,000,000 debentures to provide funds for the purchase and rehabilitation of the Toronto Street Railway. To date $15,000,000 has been authorized for this purpose. The debentures will be issued from time to time as market conditions warrant.

HOLLINGER HAS A PROJECT TO DEVELOP POWER

Premier Would Reserve a Portion to Electrify The T. & N.O.

RUSH TO GOLD CAMPS

Conditions are Regarded as More Satisfactory and the Scale of Activities is Being Widened

From Our Own Correspondent.

COBALT.—There is a continued flock to the gold camps. Conditions are daily improving. Costs are coming down and with each decline the margin of profit increases, so it is not to be wondered at that the gold mining companies are displaying considerable enthusiasm.

A feature of the recent developments is the announcement that the Hollinger company is taking steps to guard against a repetition of conditions that practically tied up the industry during the past winter, i.e., a power shortage. The Hollinger company has applied for the right to develop the Kettle Falls on the Abitibi River. This will be of material assistance to all the mines in the camp as it will make just that much more power available for the other companies. The power shortage during the winter hit the Hollinger hard. It lost materially in production and at the same time the production maintained was more costly because they used considerable steam power.

To Electrify T. & N. O.

Another interesting feature of the announcement is that Premier Drury will reserve 10,000 h.p. for the province to be used when the T. & N. O. Railway is electrified. This is the first intimation that plans for such were even contemplated.

There are rumors that the Vipond North Thompson may reopen. The rumors in this regard are quite varied and the only importance that may be attached to them is that they tend to give some idea of the value of this mine. One rumor says that the 550,000 shares in the treasury are worth 40 cents a share, also that the directors believe that the stock is worth par and that it may be that the company will borrow money instead of selling its stock.

The Miller Independence, Boston Creek, has decided on issuing bonds instead of selling more stock to finance new operations. It will issue $50,000 in bonds at 8 per cent. The company, however, has set aside a block of stock and gives the bondholders the privilege of exchanging their bonds for stock at maturity, which is three years. This stock will be given on a basis of three shares for every dollar in bonds.

There are still all kinds of rumors being peddled around about the Teck-Hughes. Matters seem to have resolved themselves into a guessing contest and everyone jumping to some conclusion, and then standing pat to see who is right. The latest report is that the bondholders are not likely to foreclose on the property. They have taken some long chances with this property, and waited patiently, hoping that the company would be able to work out its own salvation, and now that it seems to be on the verge of doing so it is unlikely that they will step in and spoil all.

Development Notes

The King Kirkland is drifting in good ore at the 100-foot level.

Ore of a rich appearance greeted the Lake Shore workers when they cut through to vein No. 2 on the 600 level. Drifting has been started but as yet no information as to values has been given out.

The shaft on the Trethewey's property in Gowganda is to be carried down from the 180-foot level to the 300. This decision followed the finding of excellent ore on the 165 level where the works are in six different ore faces. Excellent ore is still being encountered.

It is understood that the Silverado Company with over 500 acres in the Gowganda camp is planning to resume operations underground. The company is well financed and the shaft has been sunk 100 feet. The Silver Bullion directors, another Gowganda company, announce that they, too, will resume. Some valuable ore has been opened up on this property.

Control in the Minaker property, which adjoins the Lake Shore mine on the southwest, has been purchased by New York interests. A shaft has been sunk 165 feet on this property and some 200 feet of drifting done on this level.

The old Hylands property, situated near the Temiskaming in the Cobalt camp, is to be reopened by the Victory Company. The Hylands has been standing idle for about twelve years. A shaft on the property is down 200 feet.

It is announced that the properties ordered forfeited for non-payment of mining taxes, and which created such a furore in mining circles, are to be returned to the owners if the back taxes are paid. There are a number of properties that were restaked that will be involved, but for the most part they have been returned to their owners by special orders. The latest order really extends to the few remaining the treatment that has been accorded to many others.

PULP & PAPER EXPORTS $163,000,000 IN YEAR

Advance for Newsprint Shipments Groundwood and Chemical Pulp Down

From Our Own Correspondent.

MONTREAL.—With an impending strike in the month of May shipments of newsprint for the month of March, 1921, showed an increase over those of the same month last year, the total of 75,773 tons comparing with 71,307. While groundwood pulp shipments were almost cut in two chemical pulp held up better. The total value for the month, including pulp as well as paper, ran ahead of 1920 by about $740,000.

The figures for the twelve months ending March 31, 1921, show a combined total of $163,655,344 against $104,636,901 in 1920 and $82,569,680 in 1919, an increase of 57 per cent. over 1920 and 98 per cent. over 1919. Newsprint alone in 1921 (twelve months ending March 31) gained 46 per cent. over 1920 and 90 per cent. over 1919.

Figures for the month of March in both years and the twelve months' periods compare as follows:

	Mar., 1920.	Mar., 1921.
Paper of all kinds	$ 7,231,207	$ 9,885,613
Chemical pulp	3,875,281	2,237,771
Mechanical pulp	562,308	284,092
Total	$11,668,796	$12,407,476

12 months ending March 31.

	1919.	1920.	1921.
Paper of all kinds	$47,862,909	$63,253,419	$92,103,307
Chem. pulp	30,226,856	33,000,063	55,060,219
Mech. pulp.	4,479,915	8,383,419	16,491,818
	$82,569,680	$104,636,901	$163,655,344

MERGER STOCK TRANSFERS

Status of Holders of Nova Scotia and Dominion Steel Defined

According to J. F. M. Stewart—a director of the Dominion Steel Corporation—the status of the minority shareholders of the Nova Scotia and of the Dominion Steel Corporations, with respect to the exchange of their holdings in the two above companies for merger stock, is clear. A special act of the Nova Scotia legislature in April, 1920, provided that if the exchange should receive the sanction of two-thirds of the holders of the stock, then the exchange of the balance or of those who might not wish to so exchange automatically took effect. Such two-thirds sanction having been accorded at the special meeting, the British Empire Steel Corporation has now merely to make the necessary transfer on the books of the merger company. While the action may appear to have the effect of compulsion in certain cases, the justice of such action is obvious considering the impossibility of securing actual consent from all the widespread holders of these various stocks. This regulation, of course, does not hold good for such other of the companies composing the merger, which are incorporated by Federal charters or by charters of other provinces than Nova Scotia.

MINING STOCK QUOTATIONS

Week ending May 10.

	High	Low	Close	Sales
Adanac	1⅜	1⅛	1⅜	11000
Apex	1¾	1½	1½	4000
Atlas	19	10	18	64000
Beaver	34¾	32	32½	4000
Boston Crk.	9	..	..	500
Cons. Smelt.	16½	14¼	16½	953
Coniagas	1.76	1.70	1.76	510
Dome Ext.	75	..	..	100
Dome Lake	3¾	3½	3½	10000
Dome Mines	22.50	20.50	20.60	1305
Gifford	⅞	..	..	32000
Gold Reef	3¾	3⅜	3⅜	38000
Great North.	2	1¾	1¾	18500
Hargraves	1	..	..	5000
Hollinger	7.30	7.21	7.25	4400
Keora	13¾	12	13	81500
Kirk. Lake	52	48	48	5600
Lake Shore	1.35	1.28	1.30	7500
Inspiration	4	..	..	1000
McKin.-Dar.	17	..	..	300
Min. Corp.	2.02	1.99	2.00	5100
Mon. Corp.	85	80	85	137
Moneta	13¾	12	13	12500
Newray	8	7	8	3375
Nipissing	5.35	5.00	5.05	453
Ophir	1	..	..	2000
Peter. Lake	6½	6¼	6½	2000
Porcupine C.	28	27½	28	6100
Porcup. Imp.	1	..	..	13000
Preston E.D.	3⅞	..	..	4500
Schumacher.	23¾	22¾	23½	26000
Silver Leaf	2	..	..	13000
Teck Hughes	17¼	16¼	17	22000
Thom. Krist	8	7½	8	2238
Trethewey.	19¾	15¾	18¾	42000
V. N. T.	19¾	19¼	19½	32000
West Dome	8⅜	7½	8¾	33500
West Tree	3½	..	..	9000
South Keora	33	30	33	6000

HALIFAX WANTS SHIPYARDS IN STEEL MERGER

Local Opinion is That Step Would Strengthen Combination

ACTIVE ON REPAIRS

Much Work Being Done in This Field Even Though Few Contracts for Ships at Present in Sight

From Our Own Correspondent.

HALIFAX.—Financial observers in this city, who are in a position to have some knowledge, do not agree with the view that the inclusion of the Halifax Shipyards in the British Empire Steel merger would be a disadvantage to that concern. Their opinion, indeed, is that it would be a source of added strength. This is not based on sentimental reasons but on facts. The Shipyards have paid since their establishment in June, 1918. The contract for the construction of four steel steamships has not been on a losing basis. There has been and still is money in it. The reply to this is that when the two ships still on the ways are finished no other work is likely to be available. It is true that there may be a period of waiting at that time for new contracts, but it is to be remembered that the depression in ocean tonnage is now practically at its worst and that when the fourth steamship is launched at Halifax better times may be in sight, or more nearly in view, than they are now.

Enough repair work is available at these yards to keep them profitably employed, even without contracts. From the commencement of the undertaking in the early summer of 1918 there have been repaired at the works on the Halifax side more than one hundred ships. The exact figures are not available to your correspondent, but it is safe to say that the number exceeds a hundred from June, 1918, to the end of December, 1920. This work was done at a profit. The company has docks and works in Dartmouth, on the eastern side of the harbor, as well as on the Halifax side and over there more than 700 different ships were repaired in the period mentioned.

This shows the enormous importance of the yards from a repairing point of view, located as they are at this harbor on the track of ocean commerce. There were only four days since the beginning of operations by the company when the dry dock was not in use. Some time ago the company lost the contract to repair the steamer Corduna, New York underbidding them on the job. It is well known that the New York people got the job at figures which would show little profit if not a loss. But they were anxious to have it. Had the Halifax Shipyards received the contract the dock would have been tied up and much work that was otherwise put through would have had to be refused or delayed, and the management is not, on the whole, sorry that the Corduna did not come their way to stay.

Activities in Repairs

If the depression in shipping should continue for a longer period than anticipated, it is argued, the works can be kept busy in profitable repairing till the revival comes. One shareholder in the Halifax Shipyards is reported to have said that if he had his way the company, in its own interest, would remain independent and keep out of the merger. This shareholder has some comparatively small holdings also in the steel companies, so that he evidently considers the Shipyards the better part of the two. This is mentioned as showing that all the argument is not by any means on the one side and that when the promoters of the merger propose including the Halifax Shipyards they are advocating something which on its merits is likely to strengthen and not weaken the Steel merger.

The work now has been organized at the yards so that it is on an efficient and effective basis. Wages are not abnormal, the labor turnover has been put on a good foundation and results are being achieved. Last week there were on the payroll, including office staff, over 1,500 hands, the wages bill for the week being $37,000. This company was not "promoted" in the ordinary sense. The number of shareholders does not number more than about 40 and they put up cash for their holdings and to pay for the building of the yards and carrying on during the period of construction, which was concurrent with the prosecution of repair work and to a large extent also with the building of the ships received under contract from the Canadian Government.

The Question of the Future

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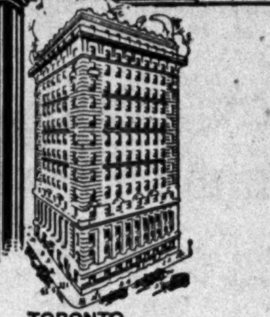

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Dominion	194	196½	+ 2½
Hamilton	180	183½	+ 3½
Hochelaga	155	155	....
Imperial	185	185	....
Merchants	174½	173½	— 1
Molsons	178	177	— 1
Montreal	203½	205	+ 1½
Nationale	*177	180	+ 3
Nova Scotia	255	254½	— ½
Royal	202	204½	+ 2½
Standard	200	200	....
Toronto	180	182	+ 2
Union	*153	154	+ 1

*Last previous sale.

MONEY BANKING AND EXCHANGE

HOW EXCHANGE IS AFFECTED BY TRADE BALANCE

Must be Considered as Well As Currency Depreciation

TAKE GERMAN MARK

Purchasing Power at Home Much Higher Than Gold Value in United States or Canada

By SIR JOHN WILLISON.

If a quart of milk is worth ten cents and is diluted with a quart of water, a quart of the mixture would be worth five cents. The same applies to currency. The currency of the United States is convertible into gold and so also is that of Canada. Except that in Canada the conversion into gold has been suspended because there is more paper money issued than can be converted. In other words, Canadian currency is diluted. The amount of gold the international medium of exchange in Canada, in proportion to the amount of currency in circulation at any given time affords an index of the extent to which Canadian currency is diluted While other factors enter into the matter to a certain extent, this is the main consideration in determining the value of Canadian money in a market like New York where the value of money is represented by its gold equivalent.

If Canadian money was convertible into gold, the only depreciation in New York exchange in consequence of an unfavorable trade balance would be the cost of sending gold from Canada to New York Such a statement of the case is so elementary that a mention of it would seem superfluous, if it were not for the fallacious attempts made by interested parties to discourage purchases in the United States. Canadian consumers should, of course, buy in Canada, whenever prices make it desirable, but they should not allow the bugaboo of unfavorable trade balances to influence their actions.—United Farmers' Guide.

The editorial writer of the United Farmers' Guide fails to distinguish between currency depreciation and exchange depreciation. It is true that specie payments have been suspended in Canada in order to protect our gold stock, for the reason that our current obligations abroad are so much in excess of our current income from abroad that if exportation of gold were permitted our entire gold stock would be drained from us in a few months. It must be apparent that the domestic purchasing power of our currency does not fluctuate in exact relation to exchange. There is, of course, a tendency for domestic values, expressed in a depreciated paper currency, to be adjusted to the foreign exchange value of such currency. At the same time this adjustment is interfered with by a great number of factors and exchange depreciation may be very much greater than depreciation in purchasing power of the currency in the domestic market.

The situation is well indicated by consideration of the German mark. The exchange value of the mark in terms of United States money, which is practically the equivalent of gold, is about 1.5 cents, as compared with a normal exchange value of 23.8 cents, yet the German mark has not been depreciated in its purchasing power in Germany anything like the proportion of 1.5 cents to 23.8 cents. The purchasing power in Germany of the mark may have depreciated to possibly one-fifth, which means that German prices measured in German marks would be about five times as high as they would be if German currency were on an effective gold basis. In the case of imported commodities, prices necessarily are raised approximately in proportion to the exchange depreciation, but especially in the case of domestic products manufactured from domestic raw materials for which the export market is limited, or goods which are not habitually exported in large quantities, or goods under Government control, etc., prices will not be higher to the full extent of the currency depreciation.

Walter Duranty, special correspondent of the New York Times, in a cable from Paris under date of March 28, stated that "skilled German workers were glad to do their 44 hours a week on an average wage of less than $5 all told." In other words, wages in Germany have not been adjusted to the foreign exchange value of the German mark. This factor undoubtedly gives to low exchange countries an advantage over high exchange countries in competing in foreign markets.

Canada's Position

In considering Canada's exchange position it is necessary to point out that although before the war we had an unfavorable balance of trade, nevertheless national income and national outgo were balanced by an inflow of British and United States money for investment purposes, for purchase of provincial, municipal and industrial securities, for organization of branch factories, exploitation of Canadian natural resources, etc. At the present time our account is balanced in the same way. The only difference is that whereas before the war this outside money came into Canada at par, now it is only attracted by offering a substantial premium in Canadian funds. In other words, exchange between Canada and the United States now represents approximately the additional inducement which we have to give to foreign investors. While encouraging importation of foreign capital it also serves to encourage retention of Canadian money at home. The unfortunate feature is, however, that it increases the cost to us of all those commodities for which we are dependent upon outside markets, including coal, cotton, sugar, iron, oils, etc., the cost of these being advanced approximately by the full amount of exchange. It is true that in the case of some commodities exporters in the United States are absorbing the exchange in whole or in part, which in itself is proof that exchange depreciation does not exactly measure depreciation in purchasing power of the domestic currency. Moreover, by increasing the cost of imported machinery, supplies, etc., exchange is operating to increase the cost of manufacture in Canada and the prices of all commodities. It is a fact, nevertheless, that prices are not depreciated in exact ratio to exchange depreciation.

The United Farmers' Guide says that "Canadian consumers should, of course, buy in Canada whenever prices make it desirable, but they should not allow the bugaboo of unfavorable trade balances to influence their actions." The Guide apparently does not realize that exchange is increasing the cost of essential imported goods to Canadian consumers, that the income of persons on wages or fixed incomes favorable in Canadian money have not increased in proportion to such prices and that exchange is placing a heavy burden on Canadian consumers. Moreover, as long as our trade account continues in its present overbalanced condition it will be impossible for Canada to restore an effective gold standard, with redemption of Canadian currency in specie. We cannot return to the gold standard until such a balance has been restored in our foreign account as will insure that removal of restrictions on exportation of gold will not result in a drain to our stock of the yellow metal.

Weekly Bank Clearings

(In comparison with same week last year).

(Eastern Cities)

	May 5, 1921.	Change.	%
Toronto	$102,407,676—	$13,027,055	11.2
Montreal	136,511,737—	13,512,628	9.0
Ottawa	11,533,914—	5,919,526	33.9
Hamilton	7,172,851—	1,556,200	17.8
Quebec	5,542,484—	2,407,278	30.2
Halifax	3,730,611—	1,967,032	15.9
St. John	3,532,208—	672,528	15.9
London	4,022,364—	624,365	13.4
Windsor	3,440,795+	54,617	1.6
Brantford	1,406,869—	329,315	18.9
Sherbrooke	1,165,261—	1,148,279	49.5
Kitchener	1,127,166—	313,974	20.2
Peterboro'	347,685—	250,528	22.8
Total East	$282,551,619—	$41,674,089	12.8
Moncton	1,145,027		

(Western Cities)

	May 5, 1921.	Change.	%
Winnipeg	$ 51,754,883—	$ 4,414,870	7.8
Vancouver	15,236,427—	2,974,589	16.3
Calgary	7,049,263—	35,825	.5
Edmonton	5,738,595—	211,702	3.5
Regina	3,926,181—	1,028,941	20.7
Victoria	2,530,242—	259,558	9.3
Saskatoon	1,634,180—	1,022,412	38.4
Moose Jaw	1,289,534—	416,030	24.4
Fort William	906,483—	219,546	19.4
Lethbridge	745,401—	187,602	20.1
Brandon	744,413—	178,624	19.3
New Westminster	695,663—	155,668	18.2
Medicine Hat	427,515—	62,405	12.7
Prince Albert	397,912—	144,850	26.7
Total West	$ 93,121,692—	$11,312,622	10.8
Grand total	$375,673,311—	$52,986,711	12.3

MUNICIPAL FINANCING IN WEST

From Our Own Correspondent.

VANCOUVER. — Point Grey will soon call for tenders for an issue of $160,000 school bonds, the ratepayers having given their approval. The by-law is now being investigated by the inspector of municipalities in Victoria. The Kamloops school district will soon call for tenders for an issue of $35,000.

The city of Nelson is to issue from $130,000 to $150,000 twenty-year street improvements provided the by-law meets with the approval of the voters. Of this amount $50,000 is to be spent this year in putting the route of the trans-provincial highway through the city in first-class shape.

BUSINESS OUTLOOK IN SOUTH AMERICA

Conditions Much the Same as in North, Says Sir Edmund Walker

The recent decision of the Canadian Bank of Comerce to actively enter the South American business field lends particular interest to the recent visit to the south of Sir Edmund Walker, the president of the institution. On his return this week Sir Edmund stated that he had been greatly impressed with the business possibilities of the countries visited, the importance of which in a commercial way he believes have always been under-estimated by the people of North America. Referring to the general business situation of the present time and the outlook, Sir Edmund says:

"All the countries of South America are suffering in the same way that we are, many of them a good deal more. Brazil cannot sell coffee, and Argentina has wheat and meat in surplus, and finds that, although there is a market for these things, the price is disastrous. Chile has little but nitrate and copper, and both of these are practically unsaleable at present. South American countries are adversely affected in foreign exchange, just as we are. There is no question about the future of South America. It is progressing rapidly, and the people are high-spirited, but the land is owned by great landowners, instead of being divided up as it is in North America."

Many Trade Openings

"South America is a good market for Canadian fish, paper, agricultural implements and a few other things, but there are many other articles that we could sell them, provided we developed the market with intelligence, supplied them at an attractive price, and lived up to our contracts. The development of foreign trade between Canada and these countries should be persisted in, but it will be slow, because we are in each instance really trying to displace some other manufacturing nation, and presumably a highly-skilled nation. We must, if we are to succeed at all, avoid the errors made by others, we must keep our contracts, we must make the goods that we have undertaken to make, and deliver them on time. South America likes Canada, and there is a desire to do business with us, if we will do our part."

EDMONTON TO ENTER FINANCIAL MARKET

Council Approves Heavy Expenditures—To Issue Consolidated Expenditures

At a recent meeting of the Edmonton city council expenditures to the amount of $2,457,852 were approved. Of this amount the sum of $1,404,596 is required to make up the amount of $2,354,596 owing the bank on behalf of loans advanced to the city in January last, when notes falling due in New York had to be met. The sum of $950,000 only was realized through sales by Morris Bros. The remainder of the proposed expenditure is made up of $831,638 required for capital expenditure and $221,618 expenditure already incurred and charged to the suspense account.

At the meeting it was proposed that the city put on the market a long term consolidated issue of unhypothecated and unsold debentures amounting to two and a half millions. Commissioner C. J. Yorath suggested, however, that the situation had been rendered difficult by the failure of Morris Bros. to dispose of the bonds sold them. A suggested alternative which was agreed to by the city council provided for the formation by the city of a syndicate of brokers to sell this issue.

EXCHANGE MARKETS

Sterling and Francs Firmer—New York Funds Irregular

Exchange movements were irregular throughout the week, but were mainly firmer in tone. Sterling moved up from $3.97⅜ to $3.98½ demand at the close, while francs advanced from 12.11 to 11.99. New York funds were firmer, although the movement was irregular. Advancing from 11-8 at the outset to a high of 12 at the close. Funds at one period dipped to 10¾. The following are the fluctuations:

New York Funds

May 5—New York funds fluctuated between 11⅛ and 11 3-16, with a small volume of business.

May 6—Funds steady about 10⅞ and 11.

May 7—Quotations remain about 10⅞ and 11.

May 9—Offered at 10 15-16, sales at 10⅞, 10¾, 10 13-16 and 10⅞ at close.

May 10—Sales at 10 13-16, 11 1-16, 11, 11 1-16, 11¼ and 11⅜ at close.

May 11—Funds were firmer with sales at 11¼, 11¾, 11 15-16 to 12 at the close.

Sterling and Francs

	Sterling Demand	Sterling Cable	Francs Demand	Francs Cable
May 5	$3.97⅜	$3.98⅛	12.11	12.09
May 6	3.97⅛	3.97⅞	12.11	12.09
May 7	3.98⅜	3.99⅛	12.23	12.21
May 9	3.98	3.98¾	12.23	12.21
May 10	3.98⅜	3.99⅛	11.82	11.80
May 11	3.98½	3.99¼	11.99	11.97

Canada Steamship Lines Limited

And Subsidiary Companies

Consolidated Balance Sheet

As at 31st December, 1920

ASSETS

Fixed Assets:—			
Vessels as at 31st December, 1919			$25,697,823.81
Add—Net Additions for year being excess of Additions to Fleet over Vessels lost and sold			1,611,136.46
			27,308,960.27
Real Estate, Buildings, Docks and Wharves as at 31st December, 1919		$6,351,017.10	
Add—Net Additions for year		334,047.20	
			6,685,064.30
Other Fixed Assets as at 31st December, 1919		1,432,992.48	
Add—Net Additions for year		41,699.44	
			1,474,691.92
			35,468,716.49
Less Depreciation Reserve			6,261,584.53
			29,207,131.96
Current and Working Assets:—			
Cash in Banks and on Hand		$ 378,787.26	
Cash in Hands of Debenture Stock Trustees		304,645.57	
		683,432.83	
Accounts Receivable less Reserve for Doubtful Accounts		3,796,523.29	
Adjusted Losses due by Underwriters		743,716.86	
Insurance and Other Claims—Estimated amount recoverable		1,758,263.92	
Interest Receivable Accrued		5,440.31	
Inventories of Stores and Supplies and Shipyard work in progress		1,030,316.33	
			8,017,693.54
Advances to Associated Company (Since reduced to $385,629.67)			1,483,391.82
Charges Deferred to Future Operations:—			
Insurance Unexpired		365,859.81	
Repairs, etc., applicable to 1921		107,863.48	
Miscellaneous		20,157.95	
			493,881.24
Investments			1,245,930.88
Funds Deposited with Trustees for Mortgage Bonds and Debenture Stock			21,718.62
			40,469,748.06
Leases, Contracts and Goodwill			8,424,646.79
			$48,894,394.85

LIABILITIES

Capital Stock:—			
125,000 Shares 7% Cumulative Preference Stock of $100 each			$12,500,000.00
120,000 Shares Common Stock of $100 each			12,000,000.00
			24,500,000.00
Funded Debt:—			
5% Debenture Stock		$7,120,506.66	
Less—Amount held in Treasury	$598,400.00		
Amount retired by operation of Sinking Fund	970,916.10		
		1,569,316.10	
		5,551,190.56	
First Mortgage Bonds	1,653,293.37		
Less—Amount held in Treasury	703,000.00		
		950,293.37	
			6,501,483.93
Current and Accrued Liabilities:			
Bank and Other Loans		2,163,715.78	
Balance of Purchase Price Montreal Transportation Co., Limited, and Accrued Interest		1,350,000.00	
Accounts Payable		3,302,129.04	
Bond Interest Accrued		117,082.19	
Government War Tax Reserve		396,322.41	
Preference Dividend Declared (Payable 2nd January, 1921)		218,750.00	
			7,547,999.42
Bank Advances on behalf of Associated Company (Since reduced to $385,629.67)			1,483,391.82
Balances of Uncompleted Voyages			74,305.39
Reserves:			
For Freight and Other Claims		10,000.00	
For Premium on Redemption of Bonds of Richelieu and Ontario Navigation Co.		998.10	
Surplus arising from Sinking Fund Purchases of Debenture Stock		164,778.76	
			175,776.86
Company		$1,000,000.00	
Contingent Liability on Notes endorsed for Allied Company		$1,000,000.0	
			$48,894,394.85

(Signed) J. W. NORCROSS, President.
F. S. ISARD, Director.

CERTIFICATE OF AUDITORS

We have audited the Accounts of the Canada Steamship Lines Limited and its Subsidiary Companies (with the exception of Montreal Transportation Company Limited, acquired during the year, the accounts of which have been certified by its auditors) for the year ended 31st December, 1920, and have obtained all the information and explanations which we have required. We certify that the above Consolidated Balance Sheet and relative Operating and Surplus Accounts are, in our opinion, properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1920, and of its operations for year ended at that date according to the best of our information and the explanations given to us, and as shown by the books of the Company.

(Signed) MARWICK, MITCHELL & CO., C.A.

MONTREAL, Que., 27th February, 1921.

Operating Account

FOR THE YEAR ENDED 31st DECEMBER, 1920

Operating Revenue:		
Vessels		$19,338,465.22
Docks and Wharves		210,713.12
Miscellaneous		322,283.64
		19,871,461.98
Other Revenue		377,149.94
Total Revenue		20,248,611.92
Expenses		16,220,337.71
Net Earnings		4,028,274.21
From which Deduct:		
Interest on Mortgage Bonds	$ 82,547.48	
Interest on Debenture Stock	283,515.57	
Other Interest	255,793.25	
Reserve for Depreciation	1,349,245.58	
Reserve for Doubtful Debts and Claims	30,000.00	
Directors' Fees	34,400.00	
Reserve for Income Tax	60,000.00	
		2,095,501.88
Profit for Year		$1,932,772.33

Surplus Account

AS AT 31st DECEMBER, 1920

Balance as at 31st December, 1919		$ 6,764,910.91
Add:		
Profit for Year Ended 31st December, 1920, as per Operating Account	$1,932,772.33	
Net Profit on Sales, etc., of Fixed Assets	1,628,464.19	
		3,561,236.52
		10,326,147.43
Deduct:		
Dividends for the Year ended 31st December, 1920:		
Preference Stock 7%	875,000.00	
Common Stock 7%	840,000.00	
		1,715,000.00
Surplus as per Balance Sheet		$8,611,147.43

NEWS AND VIEWS FOR MANAGERS

BANK IN WHICH WOMEN CATER TO NEEDS OF WOMEN

A Successful Experiment of the Bank of Hamilton

PUBLIC REST ROOM

The Effort is to Provide an Appropriate Atmosphere for Ladies' Department—Safety Boxes To Be Added

Close by the busiest corners in Hamilton's down-town shopping and business section is to be found an open-faced, plate-glass-fronted establishment which gives an impression from the street of decorative ferns, comfortable furniture and altogether an atmosphere of restful welcome. The impression is strengthened if the casual observer enters—and in so doing she (not he) will note a statement in neat gold lettering that this is the "Ladies' Department" of the Bank of Hamilton. The fact that it is a bank, however, seems to be one of the last things that the lady customer is asked to note. The rest-room effect is dominant—with all the usual facilities for writing, telephoning, etc.—and the contrast with the usual bank is as evident here as is the plate-glass front. Then, too, the usual banking equipment is put well in the background. Business seems to be made as unobtrusive as possible. But business is not forgotten and it is efficiently conducted by women for women.

"We have women doctors, women lawyers, women in many business positions, women in factories and women in parliament," observed General Manager Bell, in discussing the idea behind the novel bank; "why not a bank for women?" he asked—and it is hard to find a negative answer, especially when everything indicates that this venture has been a success. The bank for ladies was opened in September. By the first of the year there were 700 accounts and at present this has been increased to about 900. And four-fifths or more of these accounts are new to the bank.

This showing in the opinion of the management has more than justified the opening of the branch and the policy behind it. Particularly since the outbreak of the war women have more and more been entering into business activities and joining the ranks of substantial wage earners. With acceptance of added responsibilities has come a desire to do their own business in their own way.

"We were told that women would not do business with women," said Mr. Bell. "We were told that women would not confide in one another in a way to make banking a success; in brief that women wanted to bank with men and not with their own sex." He explained that experience had not shown this to be the case, but intimated that great care had been taken to see that the usual atmosphere of confidence as between staff and customers was maintained even though there was a tendency to break down old-time conventionalities in some other respects.

Deposit Boxes, Too

The policy has not only been followed of making the front of the "branch" a welcome to visitors but even the door-step has been eliminated. This idea that women do not like going up or downstairs will be followed further in connection with this branch. Mr. Bell explains that a special safety deposit service will be installed for women; it will be on the floor level of the bank and will have its guards and other features of the service given in the main vaults of the bank.

The "Ladies' Department" has been the topic of an ocasional newspaper advertisement and its purpose has been set forth in a folder, "A Banking Service for the Women of Your Household," signed by Miss J. M. Armstrong, who is in charge, and sent to a carefully selected list. It says:

"The Bank of Hamilton has expressed very clearly its attitude toward women in business by opening a branch for them, directed and operated by women. The commodious and well-fitted banking office, next to the head office, on James street south, facing Gore Park, is well adapted for the requirements of the business woman and the housekeeper. It is centrally located and offers an attractive rendezvous.

"The new idea is that it is exclusively for women—where not alone household and personal checking and savings accounts are welcomed, but where every banking problem is given courteous attention and ceases to be formidable. Even the confusing details of a long journey are removed by information cheerfully given as to travellers' checks and foreign drafts.

"The women of Hamilton alone can prove the value of this new idea by making this women's bank their own."

Of course, there are limitations to the field of the bank for ladies but the experiment at Hamilton would indicate that they can be conducted to advantage in the shopping districts of the larger cities.—J. W. T.

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NEW CROWD BEHIND GREAT WEST BANK

Original Promoters Failed Because of Lack of Funds—Backers Protected

Reports from Western Canada indicate unfortunate relations between the original promoters and the chief backers of the projected Great West Bank, which came to a head in the sentence to jail for forgery of R. J. Potts, organizer; this occurred shortly before the death of W. R. Phillips, one of the chief promoters. The organizing proceeded, however, under the Bank Act, which provides that the promoters cannot take anything out of the proposition until a certain sum —in this case $2,000,000—has been paid in, in funds as they are received being placed in trust.

Eventually complications came when it is said the promoters went short of funds because of the Bank Act stipulation referred to. Potts tried to justify his forgery on the ground that he had not been paid the salary coming to him.

The present situation is that money which has been invested is still with the trust company and several Winnipeg financial men are now endeavoring to put the proposition through, an extension of time for one year being asked of parliament in connection with the charter in view of the unusual circumstances.

80 NEW BRANCHES OPENED IN 4 MONTHS

The Canadian chartered banks during the month of April opened twenty-four new branches, six being sub-agencies, and closed seven, leaving a net gain of seventeen new branches. The Bank of Hochelaga and the Nationale opened four branches each; the Dominion, Imperial, Provincial and Royal three each, the latter three being situated in Cuba; Commerce, Home, Standard and Union one each.

Of the branches closed five were by the Union and one each by the Montreal and Sterling. Following is a list of the branches opened and closed during the month:

Opened

Commerce—Toronto, Queen Street and University Avenue.

Dominion—Long Branch, Ont.; Rosseau, Ont.; Toronto, Cor. Davenport and Uxbridge.

Hochelaga—Earlton, Ont. (sub-agency); Gogama, Ont. (sub-agency); St-Redempteur, Que. (sub-agency); Lac Bouchette Station, Que. (sub-agency).

Home—Blairmore, Alta.

Imperial—Toronto, College and Shaw Sts.; Harding, Man.; Big Valley, Alta.

Nationale—Parent, Que.; St. Louis, Champlain, Que.: Lac-a-la-Croix, Que.; Ste. Catherine, Portneuf, Que.

Provincial—St. Elizabeth de Warwick (sub to Warwick. P.Q.); St. Gerard Magella (sub. to L'Epiphanie, P.Q.) Montmagny, P.Q.

Royal—Colon, Cuba; Havana, Vibora Branch; Rodas, Cuba.

Standard—Le Roy, Sask.

Union—Coalmont, B. C.

Closed

Montreal—Toronto, Yonge and Wellington Streets.

Sterling—Minesing, Ont.

Union—Birch Hills, Sask.; Carmel, Sask.; Deepdale, Man.; Acadia Valley, Alta.; Winnifred, Alta.

It will be noted from the following that for the first four months of the year there were eighty-two new branches opened, while the number of branches closed during that period was thirty-two.

1921.	Opened.	Closed.
January	24	14
February	15	4
March	19	7
April	24	7
	82	32

RETAILING IS APPEALING TO UNEMPLOYED

A Business Development to Be Watched by Bank Managers

That the retail trades, particularly groceries, have an attraction during times of depression and unemployment for many people without business experience has been proven by past experience. That the present situation is developing a similar tendency is indicated in the following report from a bank manager in Renfrew:

There seems to be an epidemic in the way of new groceries in the town and district. Retiring farmers, mechanics and others who have no experience in the grocery business, are starting up new stores or are endeavoring to buy out established business. It seems to be the old story of one fellow thinking that the other has the easiest job in the world. Not very many of these new ventures are proving successful.

This condition of affairs is one to which the bank manager should give close attention. People who go into the retail business because they think it is an easy way to get a living generally wind up in the bankruptcy courts. To be a successful merchant under the existing conditions requires close application to all details and a thorough knowledge of the merchandise being handled as well as of general business principles.

Bank managers should therefore watch the activities of new retailers closely. With a measure of better times they will probably be offered attractive propositions by the commercial travellers and in many cases will find themselves in one of the many difficult situations which may arise from trying to do a retail business without knowledge or experience.—J.W.T.

BUSINESS WORLD DISCUSS THE TAX PROPOSALS

Continued from page 1

month of April, 1920. High building costs have been one of the chief obstacles, but an improvement in this situation is under way which should lead to a larger volume of operation. There is the important factor here, however, that with business depressed there is no longer a pressing need for factory accommodation, with the result that there is a very small volume of industrial construction under way. On the other hand there is an acute need for houses, and there is a fair degree of activity in this line.

An encouraging report on industrial conditions emanates from the border cities, Walkerville and Windsor. It is stated that in these cities industries which during the winter were closed down are now opening up and are rapidly increasing production. During the past three weeks five American companies have established branch factories in those cities, bringing the total of such factories in that locality around 250.

Sentiment Depressed

On the whole, however, there is little improvement for the better. In the smaller centres sentiment appears to have become depressed. The revival looked for in the spring has not materialized, and this situation has served to dispel optimism. On the other hand the gold mining camps of the north are reported to be steadily increasing operations and output. With commodity prices steadily declining the purchasing power and therefore the value of gold is becoming greater. The labor situation has improved very materially. With the closing of the silver mines, there is plenty of skilled mining labor available, and at moderate cost. With the exception of the gold fields, however, there is comparatively little activity in the north.

A comparison of the wholesale prices of a number of the basic food commodities indicates a substantial decline in prices at the beginning of May of the present year compared with prices a year ago. From the table appended below it will be seen that in many cases the reduction has been of very substantial proportions, and reflects a corresponding decline in the cost of living.

	1920.	1921.
Sugar	$19.00	$10.50
Rolled Oats, bag	5.75	3.15
Salmon	2.40	1.45
Canned Corn	2.00	1.50
Jam	1.40	.80
Rice	.20	06½
Flour	13.60	10.00
Butter	.68	.50
Eggs	.55	.32

The retailer in dry goods is at present faced with the problem of buying for fall trade. He pursues a cautious course, however, and rather than stock up he does not take any chance of buying heavily of goods in which there is a possibility of lower prices before fall. He continues to buy upon a hand to mouth basis and is willing to take the risk of getting his supplies in the markets when necessary.

Employers are putting more pressure upon their clerks and selling forces. They require them to exert greater selling effort. They realize that the present is a buyer's market, that business must be sought, and experience has proven that where aggressive and enlightened selling methods are used, the results will be favorable. New devices must be adopted to meet altered conditions in the future, and the business or industry which can cope with the situation will have no need to fear the present period of disorganization.

A problem which is looming up more and more ominously, and which must not be disregarded by Canadian business men, is the factor of competition from Germany. The German manufacturer is profiting by the lower scale of wages prevailing in his country and has undertaken production on a large scale, and the influence of his products on the world market is being widely felt. When a normal cost basis has been established in this country industry will again revive, and this can be reached through the reduction of the cost factors in production to the greatest possible degree.

MOLSONS

J. A. Constantine, manager of the Teeswater branch of the Molsons Bank, has been transferred to the branch at Camrose, Alta.

MONTREAL

G. F. Laing, manager of the Bank of Montreal branch at Yonge and Wellington Streets, Toronto, has been appointed manager of the bank's main office at Vancouver.

STANDARD

W. C. Livingstone, manager of the Grafton branch of the Standard Bank for nearly six years, has been transferred to a similar position in Cannington.

TORONTO

F. C. Burnett, manager of the Pilot Mound branch of the Bank of Toronto, has been transferred to the Stettler, Alta., branch.

A "Report Charge" for Service Rendered

WHEN you ask the Long Distance operator to get Mr. Blank in a distant city, she establishes connection with his telephone.

If Mr. Blank is not there, or will not talk, the operator reports the fact to you.

To give you this report has required operating time and labor, and the use of Long Distance circuits, and for this service a Report Charge will be made.

Such a charge also applies when the right telephone address has not been given and the person called cannot be reached within an hour, or if the calling party is absent when the call is completed within one hour, or if he refuses to talk.

Only one Report Charge will be made on any call, regardless of the number of reports made.

No Report Charge will be made—

(1) When the telephone number called is reported "Busy," or "Out-of-order," or "Does not answer";

(2) If the call is completed any time during the day on which it is filed.

If there is anything about our rates and practices you do not understand, please call our Manager and he will be glad to explain.

Make your money and your time go farther. Use "Long Distance."

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Time's Contrasts

"Tellson's Bank by Temple Bar was an old-fashioned place. It was very small, very dark, very ugly, very incommodious. The partners in the House were proud of its smallness, proud of its incommodiousness. They were even boastful of its eminence in those particulars, and were fired by an express conviction that if it were less objectionable it would be less respectable."—

From the Tale of Two Cities (Dickens)

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Modern business demands electric speed, exact knowledge and never-failing precision.

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TORONTO, MAY 13, 1921

OUR HEAVY FINANCIAL BURDENS

SIR HENRY DRAYTON had no small task in framing his budget when the amount of revenue necessary is taken into consideration. The national debt of Canada is now $2,350,236,700, or over $261 for every man, woman and child in the Dominion, on the basis of the estimate of the Census Department that Canada has a population of nine millions. To make ends meet during the coming year there is required the enormous sum of $591,437,697, or over $65 per head. By refunding or renewing maturing obligations on the National Railways and capitalizing an expenditure of $47,491,953 for housing loans, soldiers' settlement and sinking funds, the total amount to be raised by taxation is reduced to $435,360,971, or $48 per head of population.

As Nero fiddled so undoubtedly will the politicians and the party press continue to beat the political tom-toms which have always so effectively served to keep the public mind off the vital business problems of the country. But there is a growing appreciation of the fact that to-day the most important national issue is that of thrift and efficient management in public affairs if the enormous burden which has been a legacy of the war is to be successfully financed.

The Drayton budget is a reasonable effort to meet the situation. With such an enormous revenue to be obtained and such an unfavorable balance of trade agitations for anything like a general reduction of the tariff were not to be taken seriously. Nor was it to be expected that the income taxes, burdensome as they are, would be abolished at such a time. The excess profits taxes had, of course, passed their time, but the extension of the sales tax indicates an understanding of the needs of the business situation which it is to be hoped will continue in evidence in the future.

SOVIET NOW ADOPT THE BECK POLICY

LENINE, Trotzky and the other German agents who seized control of Russia were able to fool the Russians by popular cries mainly directed against Capital. These cries having one after another served their purpose and petered out they have had to find a new one and it will interest Canadians to know that they have adopted exactly the same cry that Sir Adam Beck and his coterie of ward politicians used to fool the Ontario voters—"Electrification." A dispatch from Vieberg, Finland, May 4th, says "Communism plus electrification" is now the slogan of the Russian Soviet regime. "Reports of this vast dream of Lenine's," say sarcastic refugees reaching Finland—"He hopes to make every Russian hut a Communistic paradise with a dynamo in the corner"—have reached the outside world frequently during the past few months, but only Moscow and Petrograd newspapers show the vast extent of the campaign they are carrying on. They propose to have a total capacity of 18,170,000 horse power in European Russia and 9,000,000 in Siberia.

Sir Adam spent some time in the south of France. So did Lenine's secretary. Is it possible it was then he got the electrification idea?

Lenine, in a recent speech, said that the whole future of Soviet Russia depended upon "Electrification." It will take ten years to develop. He says that they have no money in Russia to go on with this work and therefore they will have to give concessions to foreign capitalists. Yet the Soviet agents in Canada and the United States tell us they want recognition on this continent in order that they may place orders for thousands of millions of manufactures. They say Russian vaults are bursting with gold, but as THE FINANCIAL POST has been pointing out for several years, they have no large reserves of gold for purchases and such gold as they have has been largely adulterated with tin and other metals.

The Russian Soviet group is merely a German propaganda bureau. The gold they send abroad is for stirring up trouble. Even the British Government specifically stated in the recent trade agreement that it was entered into on the understanding that the Soviet would cease Bolshevist activities in the British Empire. When it was signed, Lloyd-George ceased bowing to labor agitators in England. British manufacturers expect no orders from Russia. Such business as the Soviet places goes to Germany.

STIRRING UP TROUBLE

THE Toronto Star is asking J. R. Shaw, vice-president of the Canadian Manufacturers' Association, to substantiate aspersions on certain employees receiving payments from the Workmen's Compensation Fund. It turns out that he made no such aspersions. Now the Star wants him to answer another question which it proceeds to answer at great length itself.

The Star should hesitate to ask questions from C.M.A. members until it answers a question THE POST has frequently put to it. The Star said that Toronto manufacturers wanted a strike on the Toronto Street Railway. THE POST has asked the Star to name one C.M.A. member guilty of such idiocy. The Star has not, because it cannot.

COULTER AND NICHOLLS AGAIN

AN exchange of greetings has recently taken place between the representative business newspapers of the United States and Great Britain, which was considered so important as to cause special articles to appear in leading London dailies. The Daily Telegraph points out that this was the practical result of the visit of the U.S. business paper editors during the war as the guests of the British Government.

The British Government extended a similar invitation to Canadian editors, but the Dominion Government had put affairs of this kind in the hands of Mr. Nicholls, of the defunct Montreal Mail. He said business papers were of no value to a country and no representatives were sent. Unfortunately a similar opinion is held by Deputy Postmaster-General Coulter, who wants these papers shut out of the newspaper mails. He put them in the class with the Police Gazette. The Post Office Department certainly needs reorganization and a new head.

NEW YORK'S NIAGARA POWER POLICY

AFTER considering for many years the best methods for the development of water power resources, and having an opportunity to closely study the accomplishments of the Hydro Electric Commission in Ontario, New York State has decided for private enterprise as against public ownership. It will probably be a surprise to many supporters of public ownership in this country that the widely-heralded success of Sir Adam Beck's undertakings have not induced the government of New York to adopt similar methods in the distribution and development of Niagara power on the other side of the river. That the decision referred to was not taken without careful study of what is being done in Ontario may be accepted without question.

According to the Knickerbocker-Press, Albany, Governor Miller in signing the Gibbs-Adler bill last week has put New York State "behind a definite water power policy, a matter which has been contested in legislative circles for many years. Under the terms of the new law a special commission is created to supervise Hydro-Electric developments by private enterprise. Leasing of available water rights will be regulated by the issuance of licenses "to any citizen or association of citizens or corporation." The commission is given sole power to "regulate the service, capitalization and secured debt of the licensee and licensed project." Licenses are to be issued for fifty years, the terms and provisions being altered only by mutual agreement between the commission and the licensee.

New York's decision to encourage the investment of private capital in the development of power by the aid of private enterprise, initiative and efficiency follows the passing of similar federal legislation at Washington and it is expected that extensive development of water powers, which have been tied up for years by government regulations, will be the result.

EDITORIAL NOTES

CARTOONS in the Toronto Globe have depicted business as being both dissatisfied and annoyed with the Drayton budget. The Globe's persistent misunderstanding and misrepresentation of business is too deliberate to be altogether excused in mere ignorance.

* * *

"THE excellent common sense with which labor is accepting the adjustment to changed conditions when not hampered by the so-called 'union leaders'" is described as decidedly gratifying by Hayden, Stone & Co., in their weekly market letter.

* * *

DR. C. J. BULLOCK, professor of economics of Harvard University, advocate of tax on sales, declares that if the present system of taxation is continued it will almost wholly become a tax on honesty and destructive and ruinous to the extent that "it creates a nation of liars."

* * *

IN THE opinion of President Richard S. Hawes, of the American Bankers' Association, good roads are essential to the progress of rural communities, reducing the cost of marketing and increasing the comforts available for the farm; every effort, he believes, should be given to the building of good roads.

* * *

ACCORDING to the Toronto Star the scheme for radial railways in Ontario presented by the Hydro Electric Commission to the Sutherland Commission has been "materially altered no less than four times" since the inquiry started. Under the circumstances surely the Star must admit that the appointment of the commission has not been fully justified. Should the scheme as it now stands prove a success it would seem to follow that the same could hardly have been expected of the original plan.

* * *

A GENUINE desire exists among business and financial men for the successful result of the present effort to tide the Riordon Company over its present period of financial stress. Not alone is there the hope that so prominent a representative of a valued industry should not fall down, but the family name, associated first in pioneer days and continuing now for some sixty-four years with the industry, is one that has always been a synonym for the highest standard of character; first in grand father, and then in father and son.

* * *

APROPOS of the report that certain prominent politicians are studying French with a view to addressing meetings in Quebec, the following may be of interest: An English engineer, long a resident of that province and extremely popular with the men under him, is known throughout the district as Monsieur Bob. His French, picked up in daily intercourse with his men, is fluent, and peppery, when needed. His wife speaks the polished French of society. A workman from the factory, after getting instructions from the latter as to some repairs to the house, said, "Ah Madame Bob, you have ze francais of ze dictionnaire and ze grammaire, but Monsieur Bob, he have ze vrai francais."

Captain of Textile Industry in U.S. is Canadian Born

William Whitman, an Outstanding Figure in the Industry, Was Born at Round Hill, Nova Scotia, 78 Years Ago—Began His Business Career as Office Boy and Messenger in City of St. John

By MERLE CROWELL, In the "American Magazine."

The story of the life of William Whitman, head of a great group of textile mills in the New England States, and one of the outstanding figures in the textile industry of the world, holds special interest for Canadians. Mr. Whitman was born some 78 years ago in the town of Round Hill, Nova Scotia, and there he spent his early life. His business career began at the age of eleven in St. John, New Brunswick, where he entered the office of a wholesale dry goods store as office boy and messenger. The most important step in his career dates from the day he left the parental roof for the city of Boston, his worldly wealth comprising $10 borrowed from a friend, $6 of which he was compelled to part with in order to pay his transportation to Boston. His startling successes in the business upon which he embarked are related below:

When the world war came to its sudden end, the purchasing departments of the United States Government decided on a drastic policy of retrenchment: Army contracts running into many millions of dollars were immediately canceled. The contractors, in turn, canceled their own orders, and a tidal wave, ever growing in volume, swept back toward the manufacturers of raw materials.

The great group of New England textile mills of which William Whitman is the presiding genius had been furnishing mammoth quantities of supplies to government contractors. To keep pace with these demands they had already arranged for the purchase of materials worth a fortune. Suddenly, the wholesale negation of orders swept down upon them.

One morning a group of Whitman's associates gathered in his office. In low voices they discussed the tremendous pressure of the moment. Should the firm follow the Government's lead? With a possible loss of several million dollars staring him in the face, would William Whitman, for once, depart from a policy on which he had been building his business for half a century?

"Gentlemen," he said quietly, "I have never cancelled an order in my life. I never shall cancel one. I would lose every dollar I have in the world first. For sixty-five years I have kept my word in business. I am not going to break it now."

Within a few months events took a happier turn. The Government realized, and accepted, its obligations to make things a little easier for its contractors and subcontractors, and the general public was seized with the unprecedented frenzy of the after-the-war buying. So Whitman was spared the staggering loss that he had been willing to assume for the sake of a business principle.

This incident occurred to me many times as I sat in William Whitman's office one afternoon last summer and talked with him about some of the stepping stones in his extraordinary career. It furnishes the key to many things which otherwise one would not be able to understand.

Meeting Mr. Whitman, one finds it difficult to realize that he is seventy-eight years old. And a glance at the recent records of his business makes the realization all the more difficult. Within nine years, the annual sales of the great group of mills of which he is the guiding genius have increased from $19,000,000 to $150,000,000—nearly eightfold. To-day, at an age when most men have long since retired, he is one of the dominant figures and ranking authorities in the textile industry of the world.

It is now sixty-five years since Whitman, a mere boy from a little Nova Scotia village, landed in Boston, with only four dollars of borrowed money to his name. He was so small for his age that when he landed a job, unaided, in the largest wholesale dry-goods store in the city, the firm had to build a platform six inches high from the floor so that he could reach the desk at which he was put to work. As he told me of some of his early struggles, and I thought of the tremendous developments with which his name has been associated in the last quarter-century, it was no easy matter to bridge the gap between. I found myself groping for a keynote.

"What has been the biggest factor in helping you to build your career?" I asked.

"One thing, I believe, can honestly be put on my tombstone: that I have always kept my word. If people are able to say that I have never tried to evade a just obligation, either in spirit or letter, they are at liberty to add that I have insisted rigidly on the fulfillment of every obligation to me.

"Character has been described as the power to make talent trusted. No great business success ever came without character.

"After long experience I have worked out seven rules by which my business is conducted. They are not peculiar to the textile industry. They will fit any manufacturing business—or almost any other commercial enterprise. I call them:

1. The rule of honor; 2. The rule of service; 3. The rule of quality; 4. The rule of uniformity; 5. The rule of co-operation; 6. The rule of hygiene; 7. The rule of vigilance.

"Most of them, I think, are self-explanatory. Greatest of them all is the rule of honor.

"I have seen America grow out of the era of self-help, with the family spinning wheel and the hand loom. I have seen it pass through the eras of wood, iron, and steel. I have seen it progress from hand and water-power to steam, gasolene, and electricity, and from individual and localized industry to great productions in mass. Yet in all these changes, astonishing even to those of us who may have played a part in them, I have seen no change in the simple rules that dictate the conduct of men toward one another. The principles of business success are the same as they were in the time of Ptolemy."

The mills in the Whitman group cover the whole textile field with the exception of linen manufacture. Every year they use 75,000,000 pounds of wool, which is equivalent to the fleece of more than 10,000,000 sheep—or 24 per cent. of the total wool production of the United States. In the same time they consume 100,000,000 pounds of cotton. The yarn sold in a year would extend 1,000,000,000 miles—more than ten times the distance between the earth and the sun. The annual production of worsted cloth by the Arlington Mills of Lawrence, Massachusetts, the largest of the group, would provide more than 3,000,000 suits of clothes, if it were used for that purpose. Incidentally, the Arlington Mills extend over fifty-five acres of land, while one room of the Nashawena Mills in New Bedford covers six acres in itself.

Whitman's life may be minus drama, as one of his associates remarked, but assuredly it is not lacking in inspiration. He was born in the little town of Round Hill, Nova Scotia, although his ancestors came from old New England stock. They arrived in Massachusetts a few years after the landing of the Mayflower. His great-grandfather, John Whitman, left the province before the Revolutionary War and settled in the fruitful land of Acadia, made famous in literature by Longfellow's "Evangeline."

Whitman was raised among people who were content with the bare necessaries of life. There was no wealth, no abject poverty, and little money. Most of the dealings were made by barter and exchange. He was the eldest of ten children. The first six years of his life were spent on the farm. There he was surrounded with the beginnings of the textile industry with which he was destined later to be associated. His father and grandfather raised sheep, and one of the earliest memories is of his great-grandmother, then nearly one hundred years old, sitting at the cumbersome hand loom in her kitchen. In one corner of the room stood the old-fashioned spinning wheel.

When the boy was six years old, his father left the farm and moved to the village of Annapolis, where he opened a country store beside the sea. Whitman had five years of schooling in a little academy, the teacher of which was paid by a neighborhood fund. There were no public schools. He learned to read, write, and "speak pieces," but the only subject in which he showed any particular aptitude was mental arithmetic. All his hours out of school were spent in running errands about the store, doing chores in the house, and helping on his grandfather's farm, which was six miles distant.

When Whitman was eleven years old, he left school and went to St. John, New Brunswick, where he entered the office of a wholesale dry-goods store, as office boy and messenger, at a salary of one hundred dollars a year. Later he was placed in the counting-room, where he became a rapid penman and quick and accurate at figures. A year afterward he was transferred to the retail department, where he measured silk, poured molasses, weighed sugar, and acquired a knowledge of the various kinds of textile fabrics then in use.

The elder Whitman's grocery venture did not prove successful, and presently he moved to St. John and went to work in a shipbuilding plant, a circumstance which enabled the boy once more to live at home.

It may be truthfully said that Whitman got a flying start toward his career on the toe of an irate Irishman's boot. One day, a salesman in the store became angry at some trifling incident and kicked the youngster. Thereupon Whitman left the store and could not be persuaded to return.

Two years before this, the boy had made a trip to Boston on a lumber-laden vessel of which his grandfather was half-owner. His fleeting vision of the city gave him the dream of going there some day to seek his fortune. Now, he felt, was a propitious time.

His mother—who believed that her ambitious thirteen-year-old boy could hold his own against the world anywhere—gave her consent. For a time, however, his father insisted on vetoing the plan. Finally, one Sunday evening, he yielded to his son's pleading. A little box trunk was snugly packed before the family went to bed, and at half-past seven o'clock next morning young Whitman boarded the Boston-bound boat that was just leaving port. There was no money in the father's purse; so he borrowed ten dollars from a relative who lived near by. Six dollars of this amount was spent in paying for the passage.

When the ship at last arrived in Boston, the boy bade good-by the the captain, left his trunk in a warehouse on the wharf, and trudged over to Cornhill, where he had been told he could get a stage for Cambridge. An uncle by marriage lived in Cambridge, and Whitman had hoped to be able to stay with him for a day or two while he was looking around for work.

He reached Cornhill shortly before noon, and learned that the Cambridge stage did not leave until three o'clock in the afternoon. The fare to Cambridge was sixty-two and one-half cents, which the young Nova Scotian decided was altogether too much of a tax on his slender resources. He hunted up two youths from his home town, who worked in a store on Federal Street, and they promised to walk to Cambridge with him if he would wait until the day's work was over.

Arriving in Cambridge, the boy found that his uncle and aunt had not yet returned from a trip to Baltimore. Their children were at home, however. That evening he walked back to Boston.

The next day, in the business section of the city, Whitman came across a big store, the sign on which bore the name of James M. Beebe, Richardson & Co. He remembered having heard in Annapolis that this was the largest dry-goods firm in America. Asking for Mr. Beebe, he was directed to a little office at the farther end of the narrow store. Entering, he saw a man sitting on a stool behind a high desk, busy at some books.

Shortly before his death, many years later, Beebe related to a group of friends the conversation that followed young Whitman's entrance.

"I looked over the top of my desk," he said, "and saw a boy standing there, hat in hand, feet firmly together, and his honest blue eyes looking earnestly up.

"'Is Mr. Beebe in?' he inquired.

"'What do you want?' I returned.

"'I called to see Mr. Beebe, sir.'

"I told him that I was Mr. Beebe, and asked what I could do for him.

"'I want a situation as entry clerk,' he replied.

"For a lad like that to apply for such a position would ordinarily have seemed absurd; but there was something about his directness that caught my fancy. Here was none of the hesitance and awkwardness usually found in adolescent youth. The boy knew exactly what he was after, as well as how to ask for it in the fewest possible words.

"I gave him pen and ink and asked him to copy one of the bills. He transcribed it as clearly and firmly as if the letters had been taken from a copy-book.

"'Where have you worked?' I asked.

"'In St. John, sir.'

"'Why did you come to Boston?'

"'To earn my living, sir.'

"'Have you your parents' consent?'

"'Yes, sir.'

"'What will you do if you find you cannot earn your living?'

"'I can, sir. But if I find I am mistaken I shall go back home. I know I can earn my living there."

"The boy made such an impression on me that I decided to break all my practices of employment, and hire him. But I did not let him know my decision. Instead, I explained to him that we never took on anyone under the age of eighteen—that young men who came to us always lived at home, and their parents were anxious to have them placed with us, and that we paid them only a nominal salary of fifty dollars the first year.

"'But I could not live on that, sir,' he hastened to say.

"'How little could you live on?'

"'Two hundred dollars a year,' he answered after a moment's thought.

"'Suppose I promise you one hundred and fifty dollars, and then, if you do well, make you a present of fifty dollars at the end of the year..

"'That would not do, sir,' the boy replied positively. 'I could not live.'

"This ended the conversation, and the next day William Whitman entered my employ."

Beebe took the boy to the counting-room, where two or three clerks were standing at a high desk. Others were calling off the names and grades of goods. Young Whitman was too short to reach the desk which held the book in which he had to make entries. So the carpenter built a separate platform for him.

The youth's fellow employees came from old Boston families. They were inclined to turn up their noses at "folks from the provinces." Some of them were so jealous of Whitman, who did his work so well that Beebe soon took him from the counting-room into his own office.

Meanwhile, Whitman had found a boarding house about a mile and one-half away. Board and room cost him three dollars a week—his entire annual salary with the exception of forty-four dollars. This meager margin resulted in a hand-to-mouth existence.

After the end of the first year, however, promotions and salary raises followed in quick succession. By the time he was twenty years old, Whitman was confidential clerk and general office manager, had become Beebe's right-hand man.

Shortly after the close of the Civil War the firm went into the commission business as selling agents for several companies manufacturing ginghams, cottons, woolen cloths, delaines, and prints. In this new departure Whitman leaped rapidly to the front. Soon he was making between five thousand and six thousand dollars a year and had become known as one of the ablest and best informed young men in the textile field.

A biography of Whitman for the last fifty years would come close to being a history of the development of the textile industry in America.

In 1867 he joined the firm of R. M. Bailey and Company, selling agents for the Arlington Woolen Mills, of Lawrence. The mills were not properly financed and managed, in his judgment, so he promptly cut loose, took the first vacation of his life, and then bought an interest in a woolen mill at Ashland, New Hampshire.

The Arlington Mills began to go from bad to worse. The company was on the point of collapse and practically insolvent, when the hurry call was sent out for Whitman to return. He was given full charge of operations at a big salary.

Continued on page 20.

PERSONALS

OTTO H. KAHN of New York has presented to the Wadsworth Atheneum of Hartford three of a number of French paintings which he recently purchased direct from famous French artists who were crippled by the war and were in need of immediate assistance. The Atheneum, in which the late J. P. Morgan was generously interested, stands next to and is connected with the Morgan Memorial erected to the memory of Junius Spencer Morgan.

G. E. CORK, Toronto manager of the United Financial Corporation, died suddenly at his home in Toronto last week following an illness of three days' duration from pneumonia. Mr. Cork, who was in his 41st year, had been connected with the United Financial Corporation since the first of January, 1920. He was born at Niagara-on-the-Lake and received his preliminary training in financial affairs with the Dominion Securities Corporation. Later he joined the firm of Chas. Goldman & Co. as partner, and represented the company in the west for some little time.

Take Advantage of the Present Excellent Interest Rates

The payment of between $30,000,000 and $40,000,000 in interest and dividends in May adds an extraordinary item to the accumulating funds in Canada. The extent of funds now available is indicated to a large degree by record-breaking deposits of Canadian Banks amounting to $1,880,000,000. Such an accumulation of funds clearly foreshadows lower interest rates. Lower rates are inevitable here as in Great Britain and the United States where rates have already been appreciably lowered. Undoubtedly we can as certainly look for gradually decreasing interest rates from investments.

We strongly recommend that those with available funds take advantage of the excellent rates now prevailing.

List of Government, Provincial and Municipal Bonds on request

A. E. AMES & CO.

Investment Securities

UNION BANK BLDG. - TORONTO
TRANSPORTATION BLDG. - MONTREAL
74 BROADWAY - NEW YORK
BELMONT HOUSE - VICTORIA, B.C
HARRIS TRUST BLDG. - CHICAGO

Established 1889

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

CANADIAN GENERAL

Subscriber, Ottawa.—Would like your opinion of Canadian General Electric Company common and preferred stocks. Would it be wise for me to buy two additional shares of common to make five shares in all so I would receive one full share in the 20 per cent. stock dividend next June?

It would seem advisable to increase your holdings of Canadian General Electric by a sufficient amount to enable you to receive one full share of the stock dividend to be issued in June.

ROTARY BRICK MACHINE

J. P., Brandon.—Would like your advice regarding the Rotary Brick Machine Company of Canada, Ltd.

The Rotary Brick Machine Co. of Canada has been incorporated for the purpose of manufacturing a brick making machine invented by the founders of the company. It is the intention to manufacture about 50 or 60 of these machines, which will be loaned out to any firm or company wishing to manufacture bricks. The capacity of each machine is 60,000 bricks per day. At the present time a model machine is being prepared and constructed, on the completion of which the company will be ready to have its product manufactured in local foundries. Those associated with the enterprise appear to be favorably regarded in business circles. From an investment standpoint, however, there is a big element of speculation here and we therefore see little attraction in the company's stock.

MORTGAGE DISCOUNT

K. R., Hamilton.—Would you consider preferred shares of Mortgage Discount and Finance, Ltd. with which go 100 per cent. bonus of common to subscribers, a good sound and profitable channel for a few hundred dollars?

We judge from the tone of your letter that you are looking for an investment where the safety of your principal will be absolutely secure. With this understanding, we would not care to recommend the stock of Mortgage Discount & Finance, Ltd. This is a new company, and we believe that the stock contains a big element of speculation. The members of the directorate board are for the most part well-known in the business world, and for that reason it would appear that the company would be assured of capable management. Until this stock has been definitely removed from the speculative list, however, through consistent and successful operation, we would advise you to leave it alone.

CONSUMERS' ASSOCIATION

C. M. C., Nova Scotia.—Kindly give me some specific information regarding Consumers Association of Windsor.

The Consumers' Association, of Windsor, went out of existence something more than a year ago. As a result of alleged questionable methods of doing business the Board of Commerce undertook to investigate the concern, and the findings proving unfavorable to the association the mails were closed to it. The association, as you may be aware, was engaged in a form of mail order business in groceries. Through newspaper advertising agents were secured in every part of the Dominion. They in turn secured customers, who on payment of a fee of $2 became duly enrolled as members of the association and entitled to the privilege of buying at the reduced prices offered. Customers were required to order specific lists of goods, and were allowed no choice or selection. It was claimed at the time that whereas certain goods were marked at ridiculously low prices, the difference was more than made up in the advanced prices on other lines where there was no standard by which the public could judge. Moreover, it is stated that in making delivery parcels were often left out, and on the whole the service was so unsatisfactory that the first order was in the majority of cases the last.

WEST TREE AND WASAPIKA

Subscriber, Temiskaming.—I wish you would kindly let me know something about the West Tree and Wasapika Mines. That is, what have they done so far in work and financially, their present doings and what prospect have they got for the future?

It is reported that strong financial interests are negotiating for the purchase of West Tree properties, and in the event of their successful completion it is quite probable that operations will be resumed on West Tree this summer. Development work on Wasapika has shown such satisfactory results of late that the management is considering the installation of a mill. It is quite probable that operations will open up here on a fairly extensive scale during the present year. At the moment there is no market for the stock, but successful operations should quickly alter the tone of the market in this regard.

ASBESTOS PREFERRED

Subscriber, Alberta.—As a subscriber I would be pleased if you would advise me if you consider Asbestos preferred a good buy at present price for a long pull.

We feel that Asbestos preferred is a reasonably safe investment at the present price. It is true that the business of the company, which is and always will be mainly export, has fallen off with practically all other export trade, and the recovery of orders may not be rapid. The main strength in this security as an investment lies in the fact that nearly 90 per cent. of the world's production of asbestos comes from the province of Quebec, and it seems reasonable to believe that for a long period the asbestos mines of Quebec will develop a world's business with a steadily increasing demand for their product. The Asbestos Corporation has shown almost phenomenal profits for the past three years and has built up a good reserve. The preferred stock also has the unusual advantage in the case of a strongly earning company of sharing equally with the common stock in any increases in dividend for the future. We look for a considerable appreciation in Asbestos preferred over a period of years.

DOM. BRIDGE & STEEL CO.

Enquirer, Alberta.—Would be glad if you would advise me if you consider Dominion Bridge and Steel of Canada preferred a good buy at present prices.

Steel of Canada preferred and Dominion Bridge rank among the industries where deflation would seem not to have been completed, or anywhere nearly so. It would seem necessary for prices to decline considerably before the steel concerns can secure their share of business. This decline in prices must also affect adversely the profits they will be able to show. Of these two securities Steel of Canada would rank far ahead of Dominion Bridge as a preferred stock against a common, and also as a company whose industrial and financial position is stronger. For some reason or other it seems necessary for Dominion Bridge to form a subsidiary company to develop every new line of output such as paper machinery and hydraulic machinery, for which the Dominion Engineering Works were created. The real relations between Dominion Bridge Company and its subsidiaries has never been made sufficiently clear to the shareholders, and until this is done, and the financial results to the company of "Copper Products" and other subsidiaries laid before the shareholders, and a definite policy in regard to subsidiaries outlined by the Bridge Company we would not feel warranted in advising an investment in the company's stock, even if business were to improve very materially.

BROMPTON AND DRYDEN

—, Stoddart's, N.S.—Have the Brompton and Dryden companies paid dividends recently on their common stock? Why is Dryden not quoted in lists of stocks?

Brompton Pulp & Paper Company paid 7 per cent. up to the last quarter when this was reduced to 4 per cent. Whether this will be continued or not will depend on the condition in the industry.

Dryden issue was of common stock at $35 a share, and no dividend has yet been paid, as the company under the reorganization is barely a year old. It is the intention, we understand, to list this stock, and this probably would have been done before now had it not been for the unsettled condition of the industry.

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Changing Oil Regulations Discouraging to Capital

Canada Should Make Oil Laws To Meet World Conditions To Get The Benefit of Our Oil Areas

By AGNES C. LAUT.

As to Canada constantly changing her oil regulations, I know two big companies that have called off their reconnaissance in Canada this year till they know exactly what Canada's regulations are to be and that they are to stay "put."

Canada has recently changed her oil regulations. Some changes are essentially for the better. Some are essentially for the worse, and these regulations will doubtless be changed again in the very near future; but this continual changing of regulations is in itself a bad thing for capital, which is already gun-shy of the perpetual changes in Central and South America. The wise thing for some Western board of trade in Canada interested in oil development—such as Edmonton, or Prince Rupert, which will be principally benefited by development—would be to arrange an excursion of the petroleum producers of America to her oil fields, send them in by aeroplane, or sea boat; then have the big American companies lay before the Canadian boards of trade the exact laws under which these companies could quickest and most profitably both to themselves and to Canada open and develop these fields. Such an invitation would be welcomed by the producers. Two pullmans, a diner and a special train outfitted would cost the transcontinentals from $14,000 to $15,000. An aeroplane excursion in and out of the Arctic and the Peace would probably cost not less than $100 a day for twenty-one days for each machine; but what if the total cost of the excursion ran to $50,000 or $100,000? A total cost of $150,000 would be small outlay if it brought into Northern Canada a cash investment of $750,000,000, which is the exact cash investment of American companies in Mexican fields to date.

The Worst Features

The two worst features of the Canadian laws to date are (1) the limitation in the areas to be held by one corporation, and (2) the fact that upon finding oil, three-fourths of a claim staked reverts to the Crown. It costs from $75,000 to $225,000 to find a gusher in a new field. It costs at least a million to locate sufficient gushers to justify a company constructing pipe lines, storage tanks, living communities, tank cars and tank steamers. What will the Crown do with the three-fourths that reverts to it? Spend fifty million dollars putting in the necessary equipment? Such a suggestion is to laugh in Canada's present financial condition with her war debt and rail deficits. No Government would dare suggest such a proposition, much less carry it out. The oil game is one for experts, not for amateurs; or Mexico would develop her own oil fields, of which 85 per cent. are still in national hands. What then, is the Crown to do with the three-fourth reverting to it? Ultimately sub-lease to some other company. Is it common sense to expect that any companies—except the two most powerful in the world—the Dutch-Shell, or the Standard—would spend a million finding gushers, knowing the minute the gushers are found that a rival, which has not spent a cent finding the oil, can stick down a drill in the adjoining claims and pump from the same pool? That is exactly what has ruined the Northern fields of Mexico, over pumping in the same pools. Amateurs may develop oil areas in that fashion. Experts don't. The big companies have learned their lesson and will never have to learn the same lesson twice; for the two of the biggest in the Mexican field with all their money spent on equipment have been forced to almost bankruptcy by the catastrophe of over-pumping bringing a whole area into salt water.

Limitation of Areas

Next, take limitation of areas to be held in one group. It is explained there are ways in which this "can be got round," that in spite of the regulation one company already has 400,000 acres leased, sub-leased, under option, in fee simple; and of this 400,000 acres, 60,000 are in oil zones. But why enact regulations that have to be "got round"? The most powerful companies with their own banks at command, or their own reserves, can go ahead on those terms. The companies, that have to be financed at oil banks, can't without collateral of big areas behind the bonds; and big areas held by "getting round" regulations aren't attractive security in tight-money markets.

I have stated this before, but to drive it home with facts, I want to set down what has happened in the oil world here since October of 1920. Almost $220,000,000 of oil bonds have been sold to an eager public here since October—"bonds" not "paper" ten-cent shares. These bonds have been sold, not to develop new, untested fields, but to provide storage tanks for surplus oil in panic eras, when the oil pumped comes faster than the market can buy, or pay for what it buys. That condition occurred here last winter, not because there was more oil than the country will need this summer, but because when the panic dislocated the factories the 9,000,000 motor cars eating up oil on the roads suddenly stopped running. Workmen, who owned cars, hadn't the money to buy gasoline. This country is short of oil—120,000,000 barrels a year—but it is also short of storage tanks to accumulate reserves of oil against the midsummer excess demand; so $220,000,000 of oil bonds were easily floated. I append the list of the oil companies that floated them.

Gulf Oil	$35,000,000
Standard Oil (New York)	30,000,000
Standard Oil (California	25,000,000
Humble Oil and Refining	25,000,000
Vacuum Oil	20,000,000
Atlantic Refining	15,000,000
Tidewater Oil	12,000,000
Empire Oil Purchasing	10,000,000
Mexican Petroleum	10,000,000
Barnsdall Corporation	8,000,000
General Petroleum	7,500,000
Sun Company	6,000,000
Galena Signal	4,450,000
Marland Oil	4,000,000
Invincible Oil	3,000,000
New England Oil Refining	3,000,000

In every case, these companies had enormous areas behind their bonds. In another case, a big company tried to float $10,000,000 to $14,000,000 of bonds for tank steamers. It had magnificent equipment and was exporting millions of barrels a year; but it could not raise a dime. Every bank door was closed to it. Why? Because it had lost certain areas through skullduggery with the Carranza Government of Mexico. That is—it had entered into agreements with Carranza to pump from the other fellows' pools. When Obregon came along he annulled this, and that company is to-day offering its magnificent equipment for sale at a junk price. The equipment was useless without the big areas. The big areas were useless without the equipment.

Cheaper money reflected in arrangements for £2,500,000 housing loan for five British provincial towns. Newcastle Electric Supply Co. bonds being offered at 71¼ today against 69½ for the same bonds two months ago as result of easier money.

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FOOLISH RAILWAY TALK

N.Y. "Herald."

Warren S. Stone, head of the Brotherhood of Locomotive Engineers, has too much horse sense to believe a single word of what he says when he declares before the United States Railroad Labor Board that proper wage reductions will not solve the problem of the carriers. He knows, as well as he knows the qualifications for driving a locomotive, that the American railway system is now paying more in wages than it ought to be collecting as the total transportation bills against the American public. He knows that when the payrolls eat up the total gross receipts of some roads they cannot keep up their roadbeds, they cannot earn their supplies, they cannot pay interest on their debts, whether they have watered stock or do not have watered stock.

Warren S. Stone also has horse sense enough to know, as he knows what makes a good fireman and what makes a poor fireman, that the only true measure of a living wage about which he talks is what it will buy for the man who gets it. When a five dollar a day wage under war inflation prices and conditions will buy less food, fewer clothes and poorer shelter than a four dollar a day wage would buy under normal prices and conditions, it is not a better wage, it is a worse wage than the four dollar a day wage.

If the cost of living can be driven down 25 per cent. every man that earns his bread and butter is better off who can swap a 20 per cent. reduction of pay for that 25 per cent. reduction of living cost. As wages make up 90 per cent. of the cost of commodities and service by and through, either the war inflation wages that cause the war inflation prices must come down or the war inflation costs that deadlock industry, throttle business and hold up the unbearable cost of living cannot come down.

Warren S. Stone isn't the level headed leader, he isn't the common sense adviser, he isn't the honest debater this country has known him to be when he wastes everybody's time talking such stuff to the United States Railroad Labor Board, which knows better and knows that he knows better.

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Our United States correspondents have prepared a concise, interesting and timely pamphlet which we shall be glad to send to investors upon request.

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Franc exchange has been firming up of late; when it reaches normal, i.e., 19 1-3 cents, this investment will be worth $1,930 and the income will be equal to 13%.

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MR. W. HAROLD MARA, formerly Managing Director of the Michie, Mara Co., Limited, and MR. LEIGH M. McCARTHY, late of the Royal Bank of Canada, announce that they have organized a company for the purpose of conducting a general brokerage and investment business.

The new company is known as Mara & McCarthy, Limited. OFFICES HAVE BEEN OPENED IN THE TIMES BLDG., 107 BAY STREET, TORONTO, where every facility for rendering prompt service to the investing public is provided.

Connections have been formed with New York, Montreal and other financial centres, and Mr. Mara will represent the Company on

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Can. Machinery, 6s	73	82
Collingwood Ship, 6s	90	..
Harris Abattoir, 6s	89	95
Wm. Davies, 6s	95	99
N. S. Steel, dbs., 6s	75	80
Mex. Nor. Power, 5s	8	12
John Morrow Screw, 6s .	83	90
Ontario Pulp, 6s	85	90
Toronto Power, 1924, 5s..	89	93
King Edward Hotel, 7s .	74	80
Dom. Iron & Stl., 5s (1939)	64	70
Gordon Ironsides, 6s ...	..	55
Neilson, Wm., 6s	86	91

NEWS OF THE BOND MARKET

THE COURTS ARE FINAL RECOURSE OF BONDHOLDERS

Heavy List of Municipal Defaults in Province of Saskatchewan

MUNICIPAL REPORT

Governments of Other Provinces Take Steps to Obviate Loss to Shareholders—More Interest in Municipalities

From the Report of Municipal Finance Committee of the Dominion Mortgage and Investments Association, Delivered at Winnipeg this week.

During the year a number of cities and towns in the provinces of Alberta and Saskatchewan defaulted in payment of interest and maturing portions of their debenture indebtedness. In Manitoba, Ontario and Quebec some delay occurred in securing payment of coupons but in each case the provincial municipal departments intervened and effected adjustments which averted loss to debenture-holders. In British Columbia difficulty arose in respect of a town which was unable to meet the matured principal of a portion of its debt, but so far interest payments have been regularly provided for.

Twelve municipalities, which have entered into agreements with their debenture holders, had a funded debt to the amount of $4,513,283 on which arrears, largely interest, amounted to $265,881 or 6 per cent.; and seven which are in default at present have a funded debt of $3,485,300 on which there is overdue $377,697 or 10.8 per cent. The aggregate indebtedness involved in seventeen of the municipalities dealt with is $7,998,582, of which $643,578 is overdue.

Of the municipal debenture debt in default, and in respect of which no settlement has been arrived at, the amount of principal is $3,485,300. Of this 2.4 per cent. is in British Columbia and on which no interest is overdue; 6.2 per cent. is in Alberta and negotiations are pending which it is hoped will result in a final settlement; and 91.4 per cent. or $3,185,300 is in Saskatchewan, in respect to the greater part of which there is at present no prospect of any adjustment such as has been made in other provinces of the Dominion.

Your committee has endeavored, whenever default on the part of a municipality has been reported to it, to take steps to protect the interests of all debenture holders and to do this at the lowest possible cost. The situation in Saskatchewan is grave and the cause of anxiety to holders of all classes of securities issued by that province and its municipal institutions. With so large an amount as mentioned above at stake, it is incumbent upon holders to take their bearings with respect to obligations of a public character due by that province.

Aside from court action, there is one other recourse in Saskatchewan for the debenture holders and it is to place their claims in the hands of the Local Government Board, a body created primarily in 1913 with a view to giving much needed supervision of borrowing by municipalities. By appointing this board, the Government admitted responsibility in respect of the credit of its municipal institutions, some of which at the time were experiencing trouble.

Within the last few years more interest in the affairs of municipalities has been taken by provincial officials than heretofore. There is, however, still room for improvement. In Manitoba, Alberta and British Columbia active steps have been taken which it is hoped will obviate loss to debenture holders in the future. The attitude of the governments of these provinces is such as redounds to their credit.

During the course of investigations made by the Local Government Board of Saskatchewan that body has taken care to define its powers. It claims it does not interfere with any other department of the Government or with the Government itself, nor does any other department of the Government itself interfere with it. Whatever trouble may exist in a municipality which causes default, the Local Government Board cannot deal with it unless a remedy is to be found in the provincial acts governing the municipality under course of investigation by it. That this is the view the board takes of its own powers has been explicitly stated by it.

There is little prospect, therefore, of debenture holders obtaining redress through placing their interests in defaulting municipalities in the hands of the Local Government Board except it is by obtaining the board's approval of specific arrangements made directly with representatives of municipalities. This is only practicable, however, when the trouble is not of a deep-seated character which requires for its adjustment the cooperation generally of departments of and the interested Government itself. In cases where it is impossible to arrive at an arrangement acceptable to the debenture holders, it appears that the only recourse left in Saskatchewan is through court action which, naturally, they are loath to take inasmuch as they are faced with the difficulties so carefully outlined by Mr. Long in his address before this association at its annual meeting a year ago.

HE WAS CAREFUL

Two bond men were discussing a certain Western financier, who has recently become connected with a new institution on the prairies.

"Is he careful and conservative?" asked the first bond man.

"Well," said the second, "I'll let you judge for yourself if he's careful. He once built a row of apartment houses. He figured so closely on the brick for the buildings that when he came to the finish he was just twelve bricks short. And instead of buying twelve more bricks he went around his branch offices and collected a dozen sample bricks that had been left from time to time, and finished his apartment houses."

SHAWINIGAN FALLS SELLS BOND ISSUE

A. E. Ames & Co. Bid of 95.916 is Accepted—Money to Cost 6.46 per cent.

The town of Shawinigan Falls has awarded its issue of $135,400 bonds to the firm of A. E. Ames & Co. on their bid of 95.916. The bonds are for a straight term of 5 years, and bear interest at 5½ per cent. The money is secured on a cost basis of 6.46 per cent. Optional tenders were allowed on the issue for a 5 year straight term, or for 30-year instalment, as well as for expenses in connection with the market and city hall. The second highest bid was submitted by the Municipal Debenture Corporation at 95.76.

TORONTO TO ISSUE BONDS

For $5,000,000 to Be Used in Purchase Of Toronto Ry. Co.

The city of Toronto is calling for tenders on an issue of $5,000,000 6 per cent. serial bonds. The money is to be used for the acquisition and rehabilitation of the Toronto Railway Co. Tenders close on Wednesday, June 1.

ONTARIO RAISES ANOTHER 10,000,000

Bonds Meet Favorable Reception in Market—Yield 6.05%

The favorable reception accorded the province of Ontario $5,000,000 issue of fifteen-year 6 per cent. bonds, which were placed on the market a week ago, has prompted the Hon. Peter Smith, provincial treasurer, to take further advantage of the market in its present receptive mood for Ontario issues. He has accordingly placed an additional $10,000,000 of bonds for sale with the same syndicate as handled the previous issue, the firms of Wood, Gundy & Co., A. E. Ames & Co., Dominion Securities Corp. and Aemilius Jarvis & Co. The bonds have been purchased by this group of bond dealers upon the same terms as the former issue, at a price of 97.94, to cost the province about 6.21 per cent. The bonds have been offered to the public at a price to yield 6.05 to the investor.

There is no doubt that the province is in need of a good deal of money to meet necessary expenditures during the present year, and the favorable market of the moment together with the very satisfactory price received for the issue no doubt prompted the provincial treasurer to raise the larger volume of revenue. No tenders were called upon the latter issue, as it was regarded as extremely improbable that the province would receive a higher, or as high, a bid as the price at which the syndicate was willing to handle the issue.

A. E. AMES & CO. BUYS WALKERVILLE ISSUE

Brings Out Extremely Close Bidding—Town Pays 6¾ Per Cent.

The town of Walkerville has accepted the tender of A. E. Ames & Co. of 95.69 on a bond issue for $95,015. Of this amount the sum of $35,000 is repayable in twenty annual instalments, the money to be used for hydro-electric purposes, and the balance of $60,015, repayable in ten annual instalments, is to be applied on local improvements. The bonds bear interest at 6 per cent., and at the purchase price of 95.69 the town pays about 6¾ per cent. for the money. Five firms tendered on the issue and an unusual feature of the bidding was the extremely narrow margin which separated the high from the low tender.

Tenders had been called on this issue on April 21 last but all bids were rejected as being too low. Since then the market has taken a slump and the town is now selling the bonds at a lower price than was previously offered. On the basis of the present accepted bid the town will receive the sum of $90,919, against $91,592 on the April bid, or a direct loss of about $673. The following are the bids:

A. E. Ames & Co.	95.69
C. H. Burgess & Co.	95.66
R. C. Matthews & Co.	95.62
Dominion Securities Corp.	95.60
Wood, Gundy & Co.	95.59

CITY OF WINDSOR SELLS BOND ISSUE

A. Jarvis & Co. Submits Successful Tender—Money Costs 6.55 Per Cent.

Aemilius Jarvis & Co. submitted the highest and successful tender for the city of Windsor issue of $625,230 this week. At the purchase price of 94.846 the money costs the city 6.55 per cent. One block of the issue for $475,230 is comprised of thirty-year annual instalment school debentures, while the balance of $150,000 is for hydro-electric purposes, and repayable in twenty annual instalments. Both bear interest at 6 per cent. The following are the bids:

A. Jarvis & Co.	94.846
National City Co.	94.655
Wood, Gundy & Co.	94.58
R. C. Matthews & Co.	94.58
Dominion Securities Corp.	94.335
A. E. Ames & Co.	93.43

TAX RATES GROW

In Three Saskatchewan Cities Levy Is Larger

The tax rates for 1920 and 1921 in Regina, Saskatoon and Moose Jaw compare as follows:

	1920. Mills.	1921. Mills.
Regina	37.00	43.00
Saskatoon	40.40	46.55
Moose Jaw	41.60	46.00

Taxes per capita in the three cities have increased to some extent as well, as the following figures indicate:

	1920.	1921.
Regina	$43.51	$50.86
Saskatoon	47.07	50.38
Moose Jaw	44.24	47.66

BOND MOVEMENTS OF THE WEEK

Bonds—	Int. Rate.	Due Year.	Yield.	Range 1921 High.	Range 1921 Low	Latest price week end. May 10. Ask	Bid	High	Low	Sales
Bell Telephone ..	5	1925	6.65	93½	91¼	92¾	..	93	92½	$11,000
Can. Locomotive..	6	1951	7.51	90	82	90	..	82	..	400
Can. Cement	6	1929	6.98	94	91½	..	93	93½	91½	2,200
Cons. Rubber ...	6	1946	6.97	90	86	..	88	88¼	..	3,000
Cedar Rapids ...	5	1953	5.80	89¾	86⅛	..	88	89¼	88¼	3,500
Dom. Iron ...	5	1929	8.10	82	75	..	79	80½	79	12,100
Dom. Canners ..	6	1940	7.32	90	86	..	86	86¼	..	1,000
Dom. Textile (A)	6	1925	7.72	93	93	..	93⅝	93	..	250
Do., (D) ...	6	1925	7.47	94	..	..	93⅝	94	..	500
Montreal Dec. '22.	6	1922	3.90	108	96½	106	..	106¾	104	3,200
Do., May '23 ..	6	1923	4.40	108	103	..	..	104½	..	500
Ogilvie (C) ...	6	1932	6.48	98	93	..	96	96	..	2,000
Penman's	5	1926	7.70	87½	85	..	87	87¼	87	2,500
Price..	5	1940	6.52	84	78	84	83	83	..	2,640
Quebec Rly ...	5	1939	8.85	68	59	63	62¾	63⅜	62	7,600
Rio	5	1935	7.50	79	62	78	77	78½	77½	18,300
Sher. Williams ..	6	1941	6.18	97¾	91½	..	..	97¾	..	1,000
Steel of Can. ..	6	1940	6.57	95	92	93½	..	93½	92½	11,075
Wayagamack ...	6	1951	8.10	87¼	75	..	75	77	76¼	21,000
Winnipeg Elec. ..	5	1927	8.80	82⅝	80¼	..	..	80¼	..	4,000
War Loan (1925).	5	1925	6.25	95.75	92.00	95.00	94.90	95.12	93.00	93,200
Do., (1931)	5	1931	5.86	95.25	90.75	.....	93.15	93.25	92.50	39,500
Do., (1937)	5	1937	5.29	98.50	94.50	96.75	96.35	96.75	96.36	39,200
Victory, (1922) .	5½	1922	6.02	99.25	96.62	99.05	99.00	99.00	98.25	253,500
Do., (1923)	5½	1923	6.33	99.00	95.50	98.15	98.10	98.60	97.75	264,900
Do., (1924)	5½	1924	6.56	98.50	94.25	96.75	96.65	96.95	96.36	144,400
Do., (1927)	5½	1927	5.82	99.12	95.25	98.25	98.00	98.50	97.60	33,100
Do., (1933)	5½	1933	5.79	99.00	95.12	97.35	97.25	98.00	96.90	866,000
Do., (1934)	5½	1934	6.06	96.12	92.25	95.00	94.95	95.25	94.25	654,500
Do., (1937)	5½	1937	5.55	100.50	96.50	99.50	99.40	99.65	98.75	396,900

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In Working Out Financial Problems of Defaulting Saskatchewan Towns

PROGRESS IS MADE

Government is Giving Serious Consideration to the Problem of Late—Criticized for Its Stand in the Past

From Our Own Correspondent.

REGINA.—Three of the Saskatchewan towns that got into financial difficulties are now under the supervision of the Local Government Board, which is slowly working out their problems with the co-operation of the bondholders. They are Humboldt, Canora and Battleford. There are other towns that have developed various forms of financial rheumatism, including Swift Current, Scott, Wilkie, Watrous, Melville, but in these cases either the situation never was acute, or is showing no signs of developing acutely, and the Local Government Board did not find it necessary to take over general supervision of the affairs of the municipality.

Of the three towns mentioned Canora is most likely to pull through without great difficulty. The town was able to collect $50,000 in tax arrears from a group of holders of vacant property and with a revision of the assessment has made much progress towards recovery.

Battleford's troubles can be traced to the town's efforts to "keep up with the Joneses." When transportation developments made a lively little town out of North Battleford, the older place refused to admit that it had become of secondary importance and matched every development in the new town with something bigger in the old. But it hadn't the population about it to keep its stores busy and it couldn't stand the pace. Now its population is half of what it once was and its difficulties are numerous.

Humboldt is still struggling with its waterworks plant, its "old man of the sea." A report has been prepared for the Local Government Board on the affairs of Humboldt and will shortly be published. The town has two big problems to solve. It must find a way to make its waterworks plant nearly pay its way and it must get permission to tax the Canadian National Railway properties in the town.

Saskatchewan has been criticized more than any other province for the stand it has taken in regard to its municipalities in default. Recent statements in THE FINANCIAL POST and elsewhere by financial men, who point out that there has never been an insistent demand for the assumption by the province of municipal burdens, have cleared the atmosphere somewhat and it is possible that there will be less real difference of opinion between bondholders and the other interested parties in the future.

The Saskatchewan Government has been giving serious consideration to the problem of late and it has come up for discussion at a number of cabinet meetings.

CALGARY TAKES OUT GROUP INSURANCE

On Behalf of Civic Employees—Provincial Governments Consider Insurance

With many industrial concerns in Canada operating on part time only there has not been the same development of group insurance in industrial lines as in other fields during the past few months. Greater attention has been given to the matter of group insurance in municipal and governmental circles, however, with the result that a number of provincial governments are giving serious consideration to the matter of placing insurance upon the lives of all employees in the service. So far two municipalities have taken out life group insurance on behalf of the civic employees, the cities of Westmount and Calgary, both placed with the Canada Life Assurance Co.

Negotiations have just been completed with the city of Calgary, as a result of which some six or seven hundred employees of the city are insured for an aggregate amount of approximately $1,500,000. In this insurance length of service is disregarded, and a flat rate is imposed, the amount varying for the different classes of employee. General employees are insured for $1,500; assistant heads of departments and executives for $3,000, and the mayor, commissioners, heads of departments and aldermen $4,000. This insurance went into effect on May 4 last.

The governments of Quebec and Manitoba have both decided to take out group insurance. The details, however, have not yet been arranged. An act is now in operation in Ontario which requires all married employees to carry insurance to the amount of $5,000. Either the employee pays this insurance himself or the amount of the premiums is deducted from his salary.

The Western Assurance and the British American Assurance Companjes have also taken out insurance on the lives of their employees. An unusual feature in these cases is the fact that the policy is a combination group and endowment plan. The employee is insured during the full period of his employment and at the age of 65 he is provided with a retirement fund or an allowance.

CHATHAM DEBENTURES

The treasurer of the city of Chatham announces the sale of debentures to the amount of $24,000 locally. The debentures have been sold at par to yield 6 per cent.

Money By-Laws

TENDERS WANTED

May 23, Saskatoon.—$190,300 6 per cent., 15 and 30-years; $13,700, 5 per cent., 30-years. Andrew Lesie, City Commissioner, Saskatoon.

May 17, County of Renfrew—$250,000, 6 per cent., 20-year highway improvement debentures. R. J. Roney, County Clerk, Pembroke, Ont. (See announcement on page 16).

May 25, Brooks, Alta.—$37,000, 30-yr., school debentures. E. Harding, Secretary-Treasurer, Brooks, Alta.

May 16, Peterborough.—$100,000. 6¼ per cent., 20-year debentures; $130,000, 6½ per cent., 20-year debentures for high level bridge.

May 28, Township of Pelee, Ont. — $5,744, 6 per cent., 20-instal. drainage debentures. William Stewart, Township Clerk. (See announcement on page 16).

May 16, York Township.—$210,652, 6 per cent., 10-year cement sidewalk debentures.

May 17, Sarnia.—$189,434, 6 and 6½ per cent, various debentures. P. A. Blackburn, City Treasurer, Sarnia.

May 25, Pembroke.—$80,324, 6%, 10, 20 and 30-year debentures. S. L. Biggs, Clerk-Treasurer, Pembroke. (See announcement on page 16.)

June 1, Toronto—$5,000,000, 6% serial bonds. Geo. H. Ross, Commissioner of Finance, Toronto. (See announcement on page 16.)

June 11, Vermilion, Alta.—$10,000, 7 per cent., 20-instal. debentures. D. Taylor, Sec.-Treasurer, Vermilion.

BY-LAWS PASSED OR DEFEATED

Thetford Mines, Que.—$80,000 bond issue. Passed on May 6.

Outremont, Que.—$750,000 loan. Passed by a vote of 399 for, to 6 against on May 7.

Preston, Ont.—$15,000 loan to H. W. Steel Shank and Specialty Co. Carried by a vote of 406 for, 78 against, on May 9.

BY-LAWS TO BE VOTED ON

May 28, R. M. of Lorne.—$10,000, for skating rink.

SASKATCHEWAN

The following is a list of authorizations granted by the local government board from April 23rd to April 30th, 1921:

School Districts—Garvagh, $3,500; Affleck, $3,500; Fur Lake, $1,600; Blighty, $5,000; Kutawa, $4,600; Driver, $1,200.

Rural Telephones — Rhein, $1,500; Stranraer, $1,000; Denzil, $1,500; Elrose, $2,600; Speers, $1,200.

Villages—Aberdeen, $4,000; Luseland, $2,500.

City—Regina, $300.

The following is a list of debentures reported sold from April 23rd to April 30th, 1921:

Rural Telephones — Flett Springs, $3,500, 15 yrs., 8 per cent., C. C. Cross & Co., Regina; Dilke, $2,000, 15 yrs., 8 per cent., Continental Securities Co.; Spruce Home, $31,900, 15 yrs., 8 per cent., W. Shackleton, Prince Albert.

Town—Vonda, $13,000, Various, Vonda.

ADDITIONAL REVENUE FOR NOVA SCOTIA

Estimates for 1921 Show Increase of $727,980—The Budget Speech

From Our Own Correspondent.

HALIFAX.—For the first time in the history of the Nova Scotia legislature the annual budget speech was delivered by a member who could be called a financial expert. The member who laid the statement before the house was Hon. J. C. Tory, representing Guysboro county, and one of the chief officers for many years of the Sun Life Assurance Co. Mr. Tory made a comprehensive statement and presented many new facts in a manner that attracted much attention. He discussed the history of the revenues of Nova Scotia from the time of Confederation to the present. One thing he brought out was that the increased estimate for 1921, amounting to $727,984, is equal to the total yearly revenue of the province for each of forty years after Confederation. The probable revenue for the year he placed at $4,529,000, the first time it will pass the four million dollar mark. Hon. Mr. Tory pointed out that during the war period Nova Scotia's debt had, with the exception of Prince Edward Island, shown the smallest increase of any of the provinces. This increase was $4,400,000. The debt of British Columbia, he said, had increased in the same period by $8,471,832; Alberta's by $19,000,000; Saskatchewan's by $1,800,000; Ontario's by $78,000,000; Quebec's by $44,000,000, and New Brunswick's by $14,000,000.

Of the increase in the estimated revenue practically $500,000, Hon. Mr. Tory said, would come chiefly from the banks, insurance and financial companies, the former advancing from $32,000 to $65,000, and increase from the insurance companies $36,802. He remarked that this was in line with an effort to get the most of the money from those best able to bear the burden. Hon. Mr. Tory concluded by saying:

"This was not blind finance but done in the light of liberal principles. Nova Scotia, in regard to banks and insurance companies was in a disadvantageous position owing to the majority of these institutions having their head office in the Province of Ontario to which Government they paid their taxation, Nova Scotia getting no advantage. Something had to be done to equalize this by an imposition of taxation. The group of resources which produced the greatest single item of revenue came under taxation. This produced $501,000 of the increase. Examination of this group Mr. Tory said would show that such taxation was not directed against the individual, but against wealth and companies and corporations."

REGINA UTILITIES ON PAYING BASIS

Adoption of Economies Means Saving of Money in Operation

From Our Own Correspondent.

REGINA.—With the adoption of the one-man car system on the municipal railway and the removal of the source of trouble at the power plant—a defective machine that took nine months of work and consequent inefficient operation to replace—the local public utilities are in a much improved position and City Commissioner L. A. Thornton anticipates that an even break will result from the year's operations. Last year the utilities lost heavily, largely through circumstances over which the city had no control and losses of varying amounts have been incurred for a number of years past. The total of the deficits has been heavy, but it is really not a cumulative deficit as it has been shown in some reports, as provision has been made in the civic estimates each year for deficits expected in operation of the utilities, and a levy has been made accordingly.

TENDERS ARE REJECTED

All bids on the $225,000 issue of the Windsor Separate School Board were rejected this week. The town of Lindsay calling for tenders on an issue for $61,000 has also refused to accept any of the bids offered.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date.	Place.	Sold to	Rate.	Term.	Amount.	Price.	Basis
May 11.	Shawinigan Falls	A. E. Ames & Co.	5½%	5-yr.	135,400	95.916	6.46
May 9.	Windsor	A. Jarvis & Co.	6%	30-yr.-in.	$475,230		
				20-yr.-in.	$150,000	94.846	6.55
May 9.	Walkerville	A. E. Ames & Co.	6%	20-yr.-in.	35,000		
				10-yr.-in.	60,015	95.69	6.75
May 4.	Chatham	Locally	6%	......	24,000	100	6.
		PROVINCIAL					
May 6.	Ontario	Wood, Gundy & Co., A. E. Ames & Co., Dominion Securities Corp., A. Jarvis & Co.	6%	15-yrs.	$10,000,000	97.94	6.21
		INDUSTRIAL					
May 9.	Brompton P. & P.	Hanson Bros., Daly & Co., Greenshieds & Co.	8%	20-yrs.	$2,500,000	99.	8.10

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Canada's *Zenith* Company
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A Canadian Company Investing Its Funds in Canada
APPLICATION FOR AGENCIES INVITED
TORONTO: 20 KING ST. W. W. H. George, Superintendent of Agencies

THE MUTUAL OF CANADA DAY BY DAY
During the year 1920 the average payments in benefits of different kinds to beneficiaries and policyholders amounted to $11,500 FOR EVERY WORKING DAY throughout the year, a total of $3,492,830. Every year the payments have increased, the total made since the establishment of the company being over thirty-three millions. The funds in hand to guarantee future payments amount to forty-two millions—so that the company has either paid or holds in trust more than $75,000,000. This total exceeds the premium income by eight millions. These figures show that the Mutual Life of Canada is making good on all contracts entered into in past years. It is not only "making good," it is "making better" for the profits alone actually paid during the years since establishment amount to eight millions of dollars, a record of economy and service of which any life office might justly be proud.
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA, WATERLOO, ONTARIO
HUME CRONYN, M.P., President - - - CHARLES RUBY, General Manager

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$100 or more invested in a "Canada Permanent" Bond for ONE YEAR will earn interest at FIVE PER CENT. per annum payable half-yearly. A higher rate is paid on longer term investments. Interest begins the day the money is received and the Bond will be made to become due on any date the investor desires.
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INSURANCE AND REAL ESTATE

LARGE VOLUME OF HOME BUILDING NOW UNDER WAY

Building for April Shows Marked Improvement Over Earlier Months

REASSURING REPORT

Industrial Construction Falls Off—No Lack of Accommodation—General Situation Improves

Building activity throughout Canada has made a sharp improvement during the month of April as compared with the previous months of the year, according to the record of permits for the month now available. According to returns submitted to THE FINANCIAL POST 40 Canadian cities report for April of this year building figures to the total of $11,510,047 compared with $14,739,151 for the same cities a year ago.

The figures for April, 1921, are reassuring, indicating as they do a large volume of construction under way or in contemplation, despite the handicaps surrounding the building trades during the earlier months of the year. With building costs steadily declining, both in the matter of material costs and in wages, a still greater improvement may be confidently looked for in the succeeding months.

An unusual feature of the present situation is the great preponderance of residential building over factory construction. The larger part of the building totals for April is made up by the heavy volume of home building undertaken. This situation has been brought about by the abnormal scarcity of housing accommodation in all the important centres. In the industrial field, on the other hand, there is no longer felt the need for new construction in the same degree as during the past year. Business in the majority of lines has been radically curtailed and there is a tendency under way to reduce stocks rather than build them up. The accommodation available, provided not only last year, but during the war years, when building was undertaken on a large scale to provide accommodation and equipment to take care of the orders for war materials, is now more than ample to supply existing requirements.

Residential Building

The situation in respect to residential building is radically different. Here there is an acute scarcity of houses, which the construction undertaken so far has done very little to alleviate. Building has been hampered by the scarcity of money for building purposes, but there are indications of an improvement in this situation.

Building figures for Eastern Canada totalled $8,394,910, compared with $9,860,331 for April last year, while the West reported a total of $3,115,137 for the month against $4,878,790.

The total for the year to date stands at $23,160,006 compared with $31,475,805. Toronto shows an increase over April of last year, while a conspicuous improvement is indicated by the report of York township, figures for the present year at $1,057,450 comparing with $538,150. Montreal reports a decline from $2,858,165 to $1,445,640. In the West, Calgary shows a substantial increase from $603,900 to $1,030,400.

Among the larger permits issued were the following: Montreal, theatre, $125,000; apartment house, $57,000; Hamilton, school, $42,000; London, factory, $15,000; Peterborough, alterations to bank building, $37,000; Stratford, store, $15,000; Sarnia, garage, $12,000; Calgary, School of Technology, $800,000; Lethbridge, oil tanks, $8,000; Moose Jaw, office building, $25,000; Regina, factory addition, $16,500; hotel addition, $20,000.

A $1,000,000 LIFE INSURANCE POLICY

Montreal Business Man Insures to Provide For Succession Duties

Life insurance as a means of providing for succession duties is becoming more and more popular with the owners of large estates. The outstanding example of the application of life insurance for this purpose in Canada comes from Montreal, where a business man and large estate owner has taken out a policy for $1,000,000 with the Canada Life Assurance Co. for the specific purpose of providing for succession duties. An unusual feature of this case is the fact that the assured has paid the premium in one lump sum to the amount of $333,000. The large premium is explained by the fact that the assured had the money available and wished to apply all additional income to further building up his estate. It is not stated what commission the agent received who secured the business, but it is evident that he will not suffer from want for some little time to come.

Policies for this and larger amounts, to be applied upon succession duties, have been written in fairly large numbers in the United States.

BUILDING IN NEW YORK

About Half of Trades Craftsmen Are Unemployed

About 50 per cent. of the 200,000 building trades craftsmen in New York city are unemployed, according to estimate of employers. Builders' Trade Bureau claims that nearly 50 per cent. of the 115,000 registered union men are now idle. It is said more than 50 per cent. of common laborers are idle, but there is less unemployment among carpenters, electricians and plumbers.

Approximately $50,000,000 of construction work has recently been completed, and construction companies, with one or two exceptions, are not taking on any new work.

BUILDING PERMITS ISSUED IN APRIL

Eastern Cities

	Apr., 1921.	Apr., 1920.	Change	4 mos. 1921	4 mos. 1920	Change
Maritimes—						
Halifax	$ 545,470	$ 438,385+	$ 107,085	$ 806,175	$ 1,043,845—	$ 237,670
St. John	43,200	257,950—	214,750	68,200	282,450—	214,250
Quebec—						
Montreal	1,445,640	2,858,165—	1,412,525	3,188,355	4,417,651—	1,229,296
Quebec	409,085	253,480+	155,605	775,290	917,564—	142,274
Westmount	118,785	160,415—	41,630	366,360	282,215+	84,145
Sherbrooke	76,700	99,550—	22,850	128,100	1,255,925—	1,127,825
Ontario—						
Brantford	44,318	117,365—	73,047	125,848	337,940—	213,092
Chatham	47,975	124,819—	76,844	94,425	164,819—	85,394
Galt	30,315	66,625—	36,310	53,715	81,275—	27,560
Guelph	68,850	39,140+	29,710	110,281	66,925+	43,356
Hamilton	430,200	779,500—	349,300	1,243,370	1,445,606—	201,680
Kingston	50,509	196,315—	145,806	77,534	232,500—	154,966
London	246,175	211,570+	34,665	503,390	384,080+	119,310
Ottawa	594,075	334,610+	259,465	760,785	573,585+	187,200
Peterborough	69,945	54,850+	15,095	89,602	146,710—	57,108
Port Arthur	24,265	9,660+	14,605	36,242	25,976+	10,266
St. Catharines	113,805	128,000—	14,195	213,761	209,755+	4,006
St. Thomas	8,555	18,670—	10,115	23,850	37,755—	13,905
Stratford	38,123	83,590—	45,467	61,104	141,453—	80,349
Sarnia	86,937	62,027+	24,910	311,686	180,722+	130,964
Toronto	2,500,000	2,137,908+	362,092	5,628,969	7,132,753—	1,503,784
Welland	28,025	31,915—	3,890	94,795	55,365+	39,430
Windsor	292,485	833,605—	541,120	1,245,236	2,250,850—	1,005,614
Woodstock	24,023	24,157—	134	39,363	63,028—	23,665
York Tp.	1,057,450	538,150+	519,300	2,078,050	1,200,300+	877,750
Total 25 E. cities	$8,394,910	$9,860,361—	$1,465,451	$18,108,486	$22,930,491—	$ 4,822,005
Western Cities						
Alberta—						
Calgary	$1,030,400	$ 603,900+	$ 426,500	$ 1,267,800	$ 809,000+	$ 458,800
Edmonton	195,545	218,300—	22,755	282,080	970,700—	688,620
Lethbridge	26,400	7,260+	19,140	38,590	34,480+	4,110
Medicine Hat	8,925	130+	8,795	17,300	12,010+	5,290
Manitoba—						
Brandon	23,300	3,050+	18,250	30,035	14,650+	15,385
St. Boniface	17,430	34,290—	16,860	53,775	86,040—	32,265
Winnipeg	838,150	2,901,300—	2,063,150	1,252,450	3,667,600—	2,415,150
Saskatchewan—						
Moose Jaw	89,200	227,480—	138,280	141,005	268,355—	127,350
Yorkton	16,380	2,900+	13,480	21,530	13,450+	8,080
Regina	328,240	438,275—	110,035	473,715	948,975—	475,260
Saskatoon	30,840	69,075—	38,235	63,490	109,250—	45,760
Weyburn	15,535	7,850+	7,685	19,010	22,450—	3,440
British Columbia—						
Vancouver	291,626	283,585+	8,041	1,043,439	1,162,178—	118,739
Victoria	185,966	47,495+	138,471	284,801	265,861+	18,940
New Westminster	19,200	33,900—	14,700	62,500	160,315—	97,815
Total 15 W. cities	$3,115,137	$ 4,878,790—	$3,229,104	$ 5,051,520	$ 8,545,314—	$3,493,794
Gr. total 40 cities	$111,510,047	$14,739,151—	$3,229,104	$23,160,006	$31,475,805—	$8,315,799
Sydney	95,115	85,900+	9,215	......	......	......

THE SERVICES OF LIFE INSURANCE TO THE PUBLIC

Companies Only in Infancy of Development in Canada

STATE INSURANCE

This Competition Must Be Faced by Private Companies—Future Outlook for Life Insurance Bright

By J. A. TORY,
Sun Life Assurance Company of Canada.

There is not a man or woman within the limits of these walls to-night, who would have dared a few years ago, to prophesy that the life insurance companies would have gone through a period of war, followed by a period of influenza, and suffered such tremendous losses, without grave doubt as to the solvency of the compnies, and yet, do you know as a fact, that the life insurance companies paid, roughly speaking, thirty-three millions of dollars in war claims and influenza claims, and yet the life insurance companies in Canada were practically not affected at all. I just give you those figures to show you something of the strength of the life insurance companies of Canada.

I believe that we do not realize the changes which are coming into the Canadian Life Insurance business in the near future. The question of service to the public, the question of service to the policy holder, the question of service as rendered by the head office of the life insurance company, and the question of the service that is rendered by the agent in the field will be entirely changed to that of to-day. As we look back over the ten years, you who have been that long in the life insurance business, will readily realize and understand the tremendous change that has taken place, and the progressive movement that has gone forward for the betterment of life insurance. I believe we are only looking at its infancy, as far as the service which will be rendered by the life insurance interests, is concerned. There will be an extension of service along every line. There will be a great extension of service to save the lives of people. There will be great service rendered from a public health standpoint. The agent in the field will become the educated life insurance salesman. The time is not far distant—when no head office of any life insurance company, or any agency manager in Canada will put a man to work, and turn him loose upon the public, unless he is an educated life insurance salesman.

Educated Salesmen

The day has gone forever when a man will be given a rate book and told to go out and do business, because, whether you believe it or not, it is true that the intensive cultivation of our business in the future, means the intensive education of the life insurance salesman. The man who is not educated from a life insurance standpoint, from a scientific salesmanship standpoint, will have no chance whatever in the field in the future.

And a life insurance company shall be judged in future by the public, by the representative of that company, who presents the case of his company to them. And the public will judge the head offices of a company by the treatment they receive from the agency force.

Then another question which we men in the field are going to face. Some of us have considered that in order to be successful insurance managers, we have got to have great big territories. I believe that is the greatest mistake that was ever made from a life insurance standpoint. I believe that the time is coming when the cultivation will be so intensive in this country that our agency managers will ask the companies to restrict rather than to increase their territory, in order that they may thoroughly cultivate it. When we get to that stage we will increase our business so vastly that we will wonder just what has been the matter with us in the past.

I see looming up before us in Canada the question of state insurance. I am one of those who do not believe in state insurance. I believe that the private life insurance companies of Canada can have insurance more profitably to the people, and manage it better, than our present party governments can do.

Competition for Life Companies

You will have to face the question of state insurance in the years that are to come; unless the management of the life insurance companies becomes so clean, so honorable, so upright, so sensible, that there will be no public demand for such a thing

OFFICE BUILDING
$300,000
We offer one of the finest office buildings available in Toronto for sale.
Located on a prominent corner. Building absolutely modern in every respect.
Will yield about 25% on money invested.
Well worthy of your consideration.
Business Property Department.
ROBINS LIMITED
Member Toronto Real Estate Board
KENT BLDG. Adel. 3200

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets Over - - - $8,000,000.00
Losses Paid Since Organization - - - $77,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bikerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets over - - $4,300,000.00
Losses Paid Since Organization, over - $47,000,000.00

The Western Empire
Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH
Managing Director

Assessment System
The Canadian Order of Chosen Friends
A Pioneer in Successful Canadian Fraternal Societies
Features:
Whole Family Life Insurance.
The best Sick and Funeral Benefits.
An up-to-date Juvenile Department.
Full particulars gladly furnished by corresponding with
W. F. Campbell, Grand Organizer, Hamilton, Ont.
J. L. Davidson, Grand Councillor, Toronto
W. F. Montague, Grand Recorder, Hamilton

That the life insurance salesmen of Canada shall be so clean, so fair, so square to do the right thing, that public opinion will be behind the life insurance companies, and behind the life insurance men. Therefore, I urge upon you, and the head offices of the companies to so walk and to so live that public opinion will carry them along, as it is carrying them along to-day, rather than public opinion shall go the other way.

The Canadian Bank of Commerce

DIVIDEND NO. 137

NOTICE is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of Twelve per cent. per annum, has been declared for the quarter ending 31st May next, and that the same will be payable at the Bank and its Branches, on and after Wednesday, 1st June, 1921. The transfer books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By Order of the Board.

JOHN AIRD, General Manager.

Toronto, 22nd April, 1921.

Wayagamack Pulp & Paper Co., Limited

DIVIDEND No. 6

NOTICE is hereby given that a Dividend of one and one-half per cent. (1½%) has been declared on the Capital Stock of the Company, for the quarter ending 31st of May, 1921, payable the first of June, 1921, to shareholders of record at the close of business on the 17th of May, 1921.

By order of the Board.

E. L. WILSON, Secretary.

Bank of Montreal

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid-up Capital Stock of this Institution, has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST DAY OF JUNE next, to Shareholders of record of 30th April, 1921.

By order of the Board,

FREDERICK WILLIAMS-TAYLOR, General Manager.

Montreal, 22nd April, 1921.

THE ROYAL BANK OF CANADA

DIVIDEND NO. 135

NOTICE is hereby given that a Dividend of Three Per Cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Wednesday, the first day of June next, to shareholders of record at the close of business on the 14th day of May.

By order of the Board,

C. E. NEILL, General Manager.

Montreal, Que., April 15, 1921.

Bank of Hamilton

DIVIDEND NOTICE.

NOTICE is hereby given that a Dividend of Three per cent. (Twelve per cent. per annum) on the paid up Capital of the Bank, for the quarter ending 31st May, has this day been declared, and that the same will be payable at the Bank and its branches on 1st June next, to shareholders of record at close of business May 20th.

By Order of the Board.

J. P. BELL, General Manager.

Hamilton, 18th April, 1921.

THE MERCHANTS BANK OF CANADA

Annual Meeting

THE Annual General Meeting of Shareholders, for the election of Directors and other general business of the Bank, will be held at the Banking House, in the City of Montreal, on Wednesday, the first day of June next. Chair will be taken at 12 o'clock noon.

By Order of the Board.

D. C. MACAROW, General Manager.

Montreal, 26th April, 1921.

CANADIAN COTTONS LIMITED

NOTICE

THE Annual General Meeting of the Shareholders of Canadian Cottons, Limited, for the reception of the Annual Report, the election of Directors, and the transaction of general business, will be held at the Head Office of the Company, Mark Fisher Building, Victoria Square, on

MONDAY, THE 16th MAY, AT 11 A.M.

By Order of the Board.

A. BRUCE, Sec.-Treasurer.

Montreal, April 30th, 1921.

The Mercantile Agency R. G. DUN & CO.

Consult us before extending credit or if customers are delinquent.

Canadian Offices:

Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.

Address enquiries to

R. G. DUN & CO.

Dominion Bank Bldg. - Toronto, Can.

CANADIAN STOCKS

Quotations of listed Securities on Montreal and Toronto Stock Exchanges, with prices at closing on May 10. In stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active.

Capitalization: Preferred	Common	Bonds and Debentures	Div. Rate	Yield to May 3	COMPANY	Range 1920 High	1920 Low	1921 to May 3 High	1921 Low	Close May 10 Ask	Close May 10 Bid	Week ending May 10 High	Low	Close	Sales
	*	8 107,500	4	12.12	Abitibi Power & Paper com	87	49⅛	58	24	36½	35¾	37	33¼	36	4,785
1,000 000			7		Abitibi Power & Paper pref	99	85	89	85	90	86	86	85¼	86	65
	6 594 300				Amer. Cyanamid com	36	33	29	...	...	...	...	...	...	...
994 200			6		Amer. Cyanamid pref	65	62	62	60	...	...	...	...	...	...
	3 500 000	1 473 666			Ames-Holden com	137½	10	25	15	...	14	15	15	15	15
2,500 000			7		Ames-Holden pref	114¾	27	45½	21¾	22	...	22	21	21¾	30
	614 660	465 951			Amer. Salesbook com	7½	5	7	6⅛	...	...	...	...	...	...
3,073 300			7	9.33	Amer. Salesbook pref	83⅛	70	78	72	...	...	...	...	...	...
	3 000 000	2 940 000	6+2	10.17	Asbestos Corp. com	103	64	90	57	63	62½	63½	58	63	910
4,000 000			7	8.70	Asbestos Corp. pref	108	83	96	78	...	82	83	82	83	70
	3 500 000	1 345 000	10		Altantic Sugar com	164	16	35	20¼	32	31	33	29⅝	31¼	3,575
2,500 000			7		Atlantic Sugar pref	184	24½	34	...	...	...	...	...	...	...
8,483 500	27 450 000	69 314 045			Barcelona Traction	9¼	3¼	5⅞	4	...	...	...	...	...	...
	22 336 300	16 649 000	8	7.47	Bell Telephone	111¼	100	112	99¼	106	105	106½	105	106	350
	4 282 200		6	15.00	B. C. Fishing	66	34¼	46	38	39	37	40	38	38	90
10,000 000	106 566 300	77 192 132			Brazilian Traction com	51¼	28	36	29½	30	29¾	30¼	29⅞	30	3,797
	1,278 700		10	9.75	Burt. F. N. com	110	88	109	101⅛	103	102	103	102	103	70
1,446 500			7	6.79	Burt F. N. pref	110	90	108	96½	103	102	103	103	103	5
2,000 000	†	2 193 000	4	12.12	Brompton Paper	85	42¼	57¼	29¼	35	34⅞	35¼	32⅛	34¼	5,012
	2 500 000	1 146 872			Canada Bread com	32½	19	22	16⅛	19	18½	18½	18	18½	70
1 250 000			7	8.13	Canada Bread pref	86⅛	84	88	85	...	...	...	...	...	...
	4 975 000	7 757 822			Can. Car & Fdry com	74	29	43	30	...	30	30	30	30	105
7,500 000			7	11.47	Can Car & Frdy. pref	109	67	79	61	...	...	61	59	59⅛	60
	13 500 000	6 346 260	6	11.65	Canada Cement com	75	54¼	67¾	51	53½	52⅛	54½	50¼	53	2,736
10 500 000			7	7.77	Canada Cement pref	100	88⅛	94	89¼	89	88	90	89	90	254
	1 733 500	399 000	7	11.47	Can. Converters	80	51	65	57	...	...	63	63	63	1
	2 805 500	9 500 000			Can. Cons Rubber com	100	87¾	...	...	...	...	...	...	...	...
3 000 000			7	7.77	Can. Cons. Rubber pref	95	92	90	...	...	...	...	...	...	...
	2 715 500	4 567 105	8	11.42	Can. Cottons com	100	71	80	68	70	69	70	68	70	110
3 661 500			6	8.10	Can Cottons pref	83	66	77	70	...	...	74	74	74	1
	960 000	173 200	12		Can. Forgings, com	257	75	...	...	...	...	...	...	...	...
960 000			7	7.60	Can. Forgings, pref	92	91	...	...	...	...	...	...	...	...
	8 754 400		8	7.47	Can. Gen. Electric com	109	93¾	117	94	109½	108¾	109	107½	108¾	318
2 000 000			7	7.14	Can. Gen. Electric pref	104	90	100¼	90	100	99	99	99	99	5
	2 000 000	1 500 000	8	10.66	Can. Locomotive com	100	80	86	74½	...	...	...	...	...	...
1,500 000			7	8.75	Can. Locomotive pref	95	80	89	80	82	...	80	80	80	8
80,681 921	260 000 000	271 934 882	10	7.93	Can. Pacific Railway	142	125	141	123½	129½	128½	130	125¾	130	216
	1,200 000	356 000	8	10.00	Can Salt	147	85	89	80	...	...	...	...	...	...
	12 000 000	7 979 619	7		Can. Steamships com	80¼	34	50⅛	18¾	25	24	27	22	25	2,561
12 500 000			7	17.07	Can. Steamships pref	85	60½	74	38	54½	54	56	41¼	53⅛	3,925
	1 200 000	128 331			Carriage Fact. com	49½	7½	20	10	...	...	13	13	13	210
1 200 800					Carriage Fact. pref	90½	72¼	65¾	65	...	...	...	...	...	...
	565 000		7	10.60	City Dairy com	62	50	66	55	...	...	...	...	...	...
700 000			7	8.53	City Dairy pref	99	85	82	80	...	...	...	...	...	...
	5 360 700		10	7.24	Consumers Gas	150	125	141	124¾	134	137	139	138	138½	134
	6 212 666		6	12.76	Crow's Nest Coal	59⅞	40	55	45	...	...	...	...	...	...
	15 000 000	35 757 500	8	10.52	Detroit United Rly	113¾	79¾	96	72½	85	83	83	76½	83	1,129
	6 500 000		8	11.26	Dominion Bridge	115	69	92	70	...	76	75½	68	75½	270
	2 797 000	1 339 800			Dom. Canners com	66¼	26	45	25	26	25	25⅝	24	25⅝	108
2 290 600			7	8.91	Dom. Canners pref	90	79	80½	77	...	77	77	77	77	10
3 000 000	15 000 000	5 864 500	7	9.21	Dominion Coal pref	97½	70	79	63½	...	76	76	76	76	5
	4 250 000	1 683 363	6	11.53	Dominion Glass com	69¼	57	64	52	58	56	58	50	57	935
2 600 000			7	8.64	Dominion Glass pref	91	82¼	84	77½	81	...	82	81	81	37
5 000 000	25 000 000	13 434 313	7	10.44	Dominion Iron pref	92	65	76	67	...	...	...	...	...	...
7 000 000	37 100 000	20 450 682	6	16.66	Dominion Steel Corp	82½	39	49	35¾	36½	36	38½	35¼	35⅛	3,764
	1 000 000		6	7.59	Dom. Telegraph	91¾	80	85	79	...	...	...	...	...	...
	5 000 000	4 767 500	10	8.19	Dom. Textile com	146½	96½	122	104	122¼	122½	123	121½	123	564
1 940 600			7	7.00	Dom. Textile pref	105	89	100	87	...	100	100	100	100	20
1 500 000	3 500 000	3 500 000	4		Duluth Superior	28	12	22½	12¾	...	22	25	22	25	2
	2 250 500	900 000			Goodwins com	35	26	25	25	...	...	...	...	...	...
1 750 000			7	10.00	Goodwins pref	95	75	70	...	...	...	...	...	...	...
	1 000 000	225 000			Holt Renfrew com	70	62	15	...	...	...	...	...	...	...
1,000,000			7	8.75	Holt Renfrew pref	85	80	...	...	...	...	...	...	...	...
	4 000,000	800,000	8	10.00	Howard Smith Paper com	167	74¾	110	78	...	81¾	82½	80	82½	696
1,500,000			8	9.41	Howard Smith Paper pref	107½	91	92¼	85	80	...	77	77	77	125
7,289,500			6	8.57	Illinois Traction pref	70	64	71¾	65	71½	...	70	70	70	41
500,000	6,267,005		25c.		International Petroleum	82	20	...	...	...	...	...	...	...	...
	2,198,018	1,902,500	8	8.69	Kaministiquia	97	83½	93	88	...	...	...	...	...	...
	2,800,000	900,000	12	8.69	Lake of the Woods com	220	130	155	135½	140	139½	140	138	140	47
1,500,000			7	6.79	Lake of the Woods pref	112	93½	103⅛	94	...	...	...	...	...	...
	28,800,000		6	6.70	Laurentide Paper	125	81	95	81	93	92⅞	93	88½	92¾	5 132
1,300,000	1,750,000	934,900	8	13.11	Lyall Construction	99	35	75	47½	...	61	61¼	61	61	45
2,388,600	3,000,000				Macdonald A. com	44¼	19	25	15	22	18¼	17	17	17	25
	41,380,400		6	8.10	Mackay com	79⅛	67¼	80	69	75	74	74½	73½	74	275
50,000,000			4	6.45	Mackay pref	74	61	65⅛	62	63	61¾	62¼	62	62	82
	2,500,000		12	9.37	Maple Leaf Mill com	196	133	146	120	...	...	...	...	...	...
2,930,000			7	7.36	Maple Leaf Mill pref	104	92	100	93	...	96	96	95	96	14
	1,275,000		4		Monarch Knitting com	75	60	...	...	...	...	...	...	...	...
750,000			7	8.97	Monarch Knitting pef	90	85	80	76½	80	...	78	78	78	5
	2,949,600		6	7.67	Montreal Cottons com	87	78	78	70	...	...	...	...	...	...
2,949,600			7	7.29	Montreal Cottons pref	105	90	98	87	...	97	97	96	97	50
	64,126,100		5	5.95	Montreal L.H. & P. cons	90	76	86	81	85½	85¾	86	84	85	3,228
	2,000,000		8+¼		Montreal Telegraph	124	110	118	44	44	43	44	43	43	66
	3,861,070	36,608,153	10	7.14	Montreal Tramways	155	125	142	125	...	...	...	...	...	...
	2,254,300	1,580,000	4	9.09	National Breweries com	70	39¼	56¼	36½	49⅝	49½	52	43	49½	17346
2,775,000			7	7.77	National Breweries pref	97	93	90	...	...	...	...	...	...	...
	2,000,000				Nat. Steel Car com	12	3	6	4	4	3	3¼	3¾	3¾	25
1,500,000			7		Nat. Steel Car pref	41½	21	28	22	...	...	...	...	...	...
	15,000,000	11,026,931	5	12.50	N. S. Steel & Coal com	80	33½	44	37	...	...	...	...	...	...
1,000,000			8	9.30	N. S. Steel & Coal pref	107	75	88½	80	...	...	...	...	...	...
	2,500,000	2,350,000	12	5.97	Ogilvie Milling com	280	175	214	180	...	200	200	200	200	2
2,000,000			7	6.73	Ogilvie Milling pref	105¼	97	104½	99	...	100	104	104	104	50
	750,000	538,200	8	12.50	Ont. Steel Products com	89	50	70	58	...	...	63	63	63	5
750,000			7	7.95	Ont. Steel Products pref	89½	89	88	...	...	...	...	...	...	...
	3,500,000	2,825,000	6	8.69	Ottawa L. H. & P.	81	70	72½	68	...	...	69¼	69	69	10
	650,000		2	6.66	Pacific Burt. com.	42	30¼	36	30	35	30	30	30	30	10
650,000			7	8.97	Pacific Burt. pref	85	76	81	76	78	...	76	76	76	2
	2,150,600	2,000,000	8+2	8.24	Penmans Ltd. com.	148½	93	103	95	100	...	96	96	96	105
1,075,000			6	7.50	Penmans Ltd. pref	91½	74	85	78	...	...	87	87	87	500
	749,500				Port Hope Sanitary com.	27	25	...	...	...	...	...	...	...	...
456,000			7		Port Hope Sanitary pre	42	30¼	...	...	...	...	...	...	...	...
	3,000,000	3,787,166	4	9.09	Porto Rico Rlys. com	50	28½	46	37	...	...	...	...	...	...
1,000,000			7	8.97	Porto Rico Rlys. pref	79	60	81	64	...	...	...	...	...	...
	42,671,000	5,372,098	3		Price Bros	385	250	42½	36	36⅞	36¼	37	36	37	485
	3,500,000	565,000	6+1	6.18	Provincial Paper com	132	80½	102	87¾	95	...	94	94	94	50
1,700,000			7	7.95	Provincial Paper pref	100	85	88½	87¾	...	...	...	...	...	...
	9,999,500	11,045,000			Que. Railway L.H.	36¾	18	29½	22	26¼	26	26½	23¾	26	1,175
	6,000,000	5,909,400	10		Riordon Paper com	226	126⅞	160	21⅛	23	23	27	22½	23	5,551
1,500,000			7		Riordon Paper pref	101½	83	80	35	...	...	35	35	35	512
	1,500,000	432,000			Rogers Wm. com	71	52	56	50	55	52	55	54	55	25
1,122,800				7.77	Rogers Wm. pref	102	80	94	85	...	...	...	...	...	...
	800,000		7	9.33	Russell Motor com	89	70	...	...	...	...	...	...	...	...
1,200,000			7	12.72	Russell Motor pref	98	40	65	46	55	50	55	50	50	28
	1,500,000	423,483			Sawyer-Massey com	20	13	19	13	...	...	...	...	...	...
1 500,000					Sawyer-Massey pref	67¼	35	54	45	...	...	...	...	...	...
	20 000,000	9,353,261	7	6.66	Shawinigan W & P.	119½	97½	109½	102	108½	108	109	105	108	1,825
	4 000,000	2,226,006	6	7.05	Sherwin Williams com	119	75	88	72	...	83	90	90	90	5
3,425,000			7	7.60	Sherwin Williams pref	100	85¾	95	87	...	...	...	...	...	...
	8,750,000		8	6.15	Shredded Wheat com.	142	130¼	130	125	130	...	120	120	120	15
1,250,000			6	6.12	Shredded Wheat pref	98	98	...	...	...	...	...	...	...	...
	8,995,500	8,511,166	7	9.72	Spanish River Pulp com	129	75	89¼	67⅝	74	73	77	72	75	3,333
8,571,493			7	9.03	Spanish River Pulp pref	149	82	95	75	...	78	81	76⅞	80	1,610
	11,500,000	8,357,608	7	11.39	Steel of Canada com	88½	54¾	64	56¼	58½	57½	58¼	56	58	1,418
6,496,300			7	7.73	Steel of Canada pref	01½	85¾	97	86½	...	90	90½	90	90½	61
	1,200,000	160,590	6	11.76	St. Lawrence Flour com	139	59	75½	50	...	51½	51	51	51	35
575,000			7	7.95	St. Lawrence Flour pref	98½	92	90	85	...	...	85	85	85	25
	7,899,900	47,000	8		St. Maurice Paper	170	123	120	95	...	...	...	...	...	...
	650,000				Tooke Bros. com	86	67	57	45	...	40	45	43	45	25
985,000			7	9.33	Tooke Bros. pref	91	83	78	65	...	...	...	...	...	...
	12,000,000	2,502,306			Toronto Railway	65	35	74	58¾	71¼	71	72	70	71	368
	2,500 000		4	8.88	Tuckett Tobacco com	57½	41	52	41	45	...	45	44	45	9
2 000 000			7	8.75	Tuckett Tobacco pref	93	81¼	83	80	...	...	...	...	...	...
3,000,000	22 000,000	20,213,000			Twin City com	49	31½	61½	43½	...	...	...	...	...	...
	1,750 000	891 000	4	8.88	Wabasso Cotton	135	48	50	42½	44½	...	45	44	44	80
	5,000,000	3,302,600	6	8.69	Wayagamack	150¼	71	89	64½	70	69½	70	70	70	130
	2,449,588	1,371,552	8		West. Can. Flour	145	105	125	118	...	...	...	...	...	...
507 900	9,324 300	9,755 000			Winnipeg Rly	38	26	48	36	41	...	41	39¾	41	836
	1,500,000	600,000	1½	4.13	Windsor Hotel	100	70	145	120	...	...	...	...	...	...
	1,718,600	410,000	8	8.00	Woods Mfg. com	110	93½	...	...	...	...	...	...	...	...
1,546 500			7	9.21	Woods Mfg. pref	86	78¼	80	76¼	...	...	...	...	...	...

*250,000 shares of no par value. †140,000 shares of no par value.

BANKS

Capital	Reserve	Div. Rate	Yield to May 3	BANKS	Range 1920 High	Range 1920 Low	Range 1921 to May 3 High	Range 1921 to May 3 Low	Close May 10 Ask	Close May 10 Bid	Week Ending May 10 High	Low	Close	Sales
15,000,000	15,000,000	12	6.41	Commerce	199½	173¼	200	179¾	188	186½	187	186	187	80
6,000,000	7,000,000	12	6.25	Dominion	206	190	204	191½	198	197	197	192	196½	31
4,998,220	4,849,110	12+⅔	6.66	Hamilton	194	168	185	169¼	184	183½	184	180	184	71
4,000,000	4,000,000	10	6.57	Hochelaga	158½	151	156	151	...	...	155	155	155	14
7,000,000	7,500 000	12+1	6.48	Imperial	200	184	191	183½	185	...	185	184	184½	77
10,029,622	8,400,000	12+1	7.05	Merchants	203	158	182	167½	175	173	175	173½	174	115
4,000,000	5,000,000	12	6.77	Molsons	194	169	180	168½	178	176	178	177	177	3
22,000,000	22,000,000	12	5.90	Montreal	220½	185	212	195½	...	202	204	203	204	48
2,000,000	2,300,000	12	6.77	Nationale	174	162¾	180	165	...	...	180	180	180	2
9,700,000	18,000,000	16	6.27	Nova Scotia	273	243	265	249	255	...	255	254½	254½	18
20,134,010	20,134,010	12	5.94	Royal	233½	189½	208	193½	205	204	204	202	204	59
3,802,001	4,800,000	14	7.00	Standard	222	200	205	198	201	200	200½	200	200½	58
5,000,000	6,000,000	12	6.69	Toronto	197	179	192	177	184	182	183	180	182	23
8,000,000	6,000,000	10	6 53	Union	161	139	160⅛	146	...	...	...	...	...	...

LOAN, TRUST AND INSURANCE

LOAN, TRUST AND INSURANCE	Div. 1920	Pres. Div Rate	Range for 1920 High	Low	Latest Price Ask	Bid	Last Sale	LOAN, TRUST AND INSURANCE	Div. 1920	Pres. Div. Rate	Range for 1920 High	Low	Latest Price Ask	Bid	Last Sale
Canada Landed	10	10	150½	110	...	135	136½	Montreal Loan	12	....	165	155		165	155
Canada Permanent	10	12	178	157	177	176	176	National Trust	11	12	230	198	200	195	200
Central Canada	10		..	...	...	...	...	Ontario Loan	10	10	160	155	167	157	157
Col. Investment, pref.	6	6	82	67	75	...	75½	Real Estate Loan	7	7	95	92	...	...	92
Dominion Savings	5	5	72	72	75	70	70								
Great West Per.	5	..	...	...	140	...	89½	Toronto General Trusts	10+1	12	211	196½	...	197½	198⅛
Hamilton Provident	9	9	146	145	141	140	140	Toronto Mortgage	9	9	135	129½	...	132	132
Huron & Erie	6+1	6+¼	113½	110	115	107	112½	Toronto Savings	12+2	12	.....	...	...	...	185
Landed Banking	8	8	142	141	...	137	137	Union Trust	7		...	...	100	...	100
London and Canadian	9	9	126	110	118	116	115½	Confederation Life	20	20	310	300	...	...	...

Our Bond Department

This Bank has a complete Bond Department always at the service of clients. Constantly in close touch with financial markets, this service is invaluable to anyone contemplating investment of large or small amounts.

We deal in strongly protected securities, such as Government and Municipal Bonds. 353

IMPERIAL BANK OF CANADA

218 BRANCHES IN CANADA.

Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND — Bank of Ireland, Dublin and Branches. Agents in FRANCE: Credit Lyonnais, Lloyds and National Provincial Foreign Bank Limited.

Present Day Banking

THE means for rapid and frequent communication to-day throughout the Dominion and to distant countries, under which business is conducted, make a prompt and dependable banking service a necessity to the business community.

The Bank of Toronto provides that service. It combines a wide knowledge of business conditions and needs, with complete facilities and a readiness to give the helpful service your business requires.

We Give Service

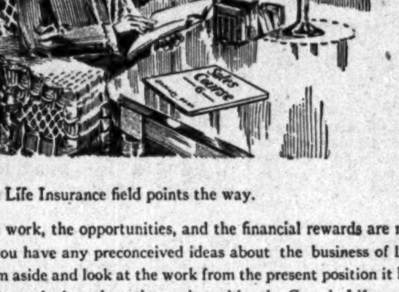
THOS. F. HOW, General Manager

Your banking business is assured of capable attention in our hands.

THE BANK OF TORONTO

Incorporated 1855

81



A NEW PROFESSION

Men of character and ambition can find satisfaction only in a business or profession that will make their life work really worth while and, at the same time, offer opportunities for quick financial success.

The Life Insurance field points the way.

The work, the opportunities, and the financial rewards are most attractive. But, first of all, if you have any preconceived ideas about the business of life insurance, we ask you to set them aside and look at the work from the present position it has attained through new and scientific methods such as those adopted by the Canada Life.

Would you like to be in a business that will give you

A GOOD LIVING

A PROFITABLE FUTURE

A PROVISION FOR OLD AGE

We teach a man the Insurance Business, which offers permanent success, does not fluctuate, is a professional occupation, and has been truly named "the best paid hard work in the world."

This is done by a correspondence course and personal assistance, free of charge.

When he is fully prepared for the work, we place him in a position and help him to make good.

The first two lessons of the Company's correspondence course will be sent to anyone interested. It will pay men who desire to get on in the world to look into this.

All correspondence strictly confidential.

CANADA LIFE ASSURANCE COMPANY

Head Office - TORONTO

Canadian Appraisal Co., Limited

Property Values Definitely Established to Meet All Insurance and Accounting Requirements

TORONTO ROYAL BANK BLDG. | 364 UNIVERSITY STREET MONTREAL | NEW YORK EQUITABLE BLDG.

Barcelona Traction, Light and Power Company, Limited

(Incorporated Under the Laws of the Dominion of Canada.)

To the Holders of

5½% First Mortgage 50-Year Bonds.

NOTICE is hereby given that in accordance with the reorganization scheme approved at the meeting of the holders of the above bonds, held on the 19th December, 1918, 1% will be paid at the Bank of Scotland, 30 Bishopsgate, London, England, and at The Canadian Bank of Commerce, 23 King St. West, Toronto, on or after 1st June, 1921, in full discharge of the half year's interest due 1st June, 1921, against surrender of Coupon No. 19.

Coupons of the face value of £0:10:0 will accordingly entitle holders to receive £0:4:0 and coupons of the face value of £2:10:0 will entitle holders to receive £1:0:0. Payment will be made in Toronto in Canadian Currency at the current rate of exchange for the day upon which such coupons are presented for payment.

Dated this 12th day of May, 1921,

For BARCELONA TRACTION, LIGHT & POWER COMPANY, Ltd.,
R. H. MERRY, Secretary.

Barcelona Traction, Light and Power Company, Limited

(Incorporated Under the Laws of the Dominion of Canada.)

To the Holders of

7% Prior Lien "A" Bonds.

NOTICE is hereby given that the Coupon Number 12, in respect of the interest due and payable on the 1st June, 1921, on the 7% Prior Lien "A" Bonds, (Sterling Issue) of the Company will be paid on and after the 1st June, 1921, at the Bank of Scotland, 30 Bishopsgate, London, England, and at the Canadian Bank of Commerce, 23 King St. West, Toronto. Payment will be made in Toronto in Canadian Currency at the current rate of exchange for the day upon which such Coupons are presented for payment.

Dated this 12th day of May, 1921,

For BARCELONA TRACTION, LIGHT & POWER COMPANY, Ltd.,
R. H. MERRY, Secretary.

Canadian Pacific Railway Company

DIVIDEND NOTICE

AT a meeting of the Board of Directors held to-day a dividend of two and one-half per cent. on the Common Stock for the quarter ended 31st March last, being at the rate of seven per cent. per annum from revenue and three per cent. per annum from Special Income Account, was declared payable on 30th June next to Shareholders of record at 3 p.m. on 1st June next.

By Order of the Board.

ERNEST ALEXANDER,
Secretary.

Montreal, 4th May, 1921.

DEBENTURES FOR SALE

TOWN OF PEMBROKE

SEALED tenders will be received by the undersigned up to 3 p.m. Wednesday, May 25th, 1921, for the following debentures:

$31,369.90 of Local Improvement, 10 year, 6%.

$14,696.82 for Waterworks purposes, 20 year, 6%.

$34,257.78 for Waterworks purposes, 30 year, 6%.

All to be repayable in equal annual instalments of principal and interest.

Highest or any tender not necessarily accepted.

S. L. BIGGS,
Clerk-Treasurer.

Debentures For Sale

TENDERS will be received by the undersigned up to Twelve o'clock noon of the Seventeenth of May, 1921, for the purchase of the Debentures of the Corporation of the County of Renfrew for $250,000 for improvement of their highways, payable in twenty years from the Sixth of May, 1921, bearing interest at 6%, payable yearly. Debentures issued in $1,000.00 and odd amounts, payable yearly during the term; Debenture contains provision for registration.

No tender necessarily accepted. Have envelope marked "Tender."

Dated the Third day of May, A.D. 1921.

R. J. RONEY,
County Clerk,
Pembroke, Ont.

DEBENTURES FOR SALE

TENDERS will be received by the undersigned up to noon of Saturday, the 28th day of May, 1921, for the purchase of $5,744.00 Drainage Debentures of the Township of Pelee. 20 equal annual instalments. Interest 6 per cent. No tender necessarily accepted.

WILLIAM STEWART,
Township Clerk.

WOOD, GUNDY & CO. TO MOVE

The firm of Wood, Gundy & Co. has leased for a term of years office space in the John Kay Building, King Street West, Toronto, and will move there from the present location in the C.P.R. Building some time in the fall. In the meantime extensive alterations and improvements will be made to the building. Wood, Gundy & Co. will occupy the ground floor while the remaining four floors will be rented.

CANADA MUST SUPPLY HER OWN CAPITAL NEEDS

We Are For the Time Being A Lending Nation

MORTGAGE OUTLOOK

Lending Machinery Must Have Confidence of Public—Discriminatory Legislation Feared by Investors

By W. E. LONG,
President Dominion Mortgage and Investments Association.*

We are now faced with the consequences of war-time credit expansion and the recent expenditure of capital and labor on undertakings which did not yield wealth normally exchangeable in character. The increase of taxation, high rates of interest and lessened demand from abroad for our natural products have diminished our borrowing powers. Prices of agricultural products have now fallen to almost pre-war levels, unemployment is serious and great anxiety exists as to the possibility of finding markets capable of absorbing our exportable products. This situation is emphasized by the uncertainty of the tariff legislation proposed by our chief buyer; while if we look at the situation in the markets of Europe which hitherto have absorbed many of our important products, we find there unusual measures taken to restrict purchase from abroad. Only quite recently Switzerland was the only country which offered a normal market and within the past few months it has changed its attitude and now is also enforcing restrictive measures.

These indications make it quite evident that even in our best markets there is little promise of strengthened purchasing powers for the near future. We cannot, therefore, hope for a large increase of foreign trade to establish credits abroad and enable us to borrow. This country for the time being is practically a lending country, and money required to meet the natural demand which arises in a new country will have to be obtained from our own resources. Even under these conditions borrowers in this country are enjoying rates as low as prevail in any country where conditions of civilization correspond. Hitherto, however, our lending companies have depended largely upon the investors in Great Britain and France for a large proportion of the money they handled. Apart from the present insurmountable barrier of adverse exchange these sources of supply are cut off owing to these investors finding employment for their money at home at rates more advantageous to them than can be paid for funds by Canadian companies for reinvestment in Canada. At existing rates European investors find it profitable to withdraw their mortgage investments in Canada.

The new conditions which have been brought about will necessitate the adjustment of the machinery in Canada to meet these new mortgage conditions. Already one important step has been taken in Ontario in the form of changes to the Trust and Loan Corporations Act. Other changes are also taking form. To meet the demand which will persist in Canada for mortgage money, a necessity if our development is to continue, we must look for further readjustment. If the existing form of lending institution is to continue to function satisfactorily in meeting mortgage demands, it is very essential that it should continue to have the confidence of the public.

It was with this idea in mind that your association for some time has been pressing upon the governmental bodies the need for a sane form of supervision and inspection. In 1920 the Dominion Government provided for such inspection and at the last session of the Ontario legislature similar powers were granted. With the co-operation of your association and its affiliated bodies, we hope that this inspection will place all forms of lending institutions on a basis which will continue to retain the confidence of the public and that, as a result, a larger majority of the public will take advantage of the facilities they offer for the employment of its savings.

In carrying out their functions as lenders on mortgage security, the organizations concerned would be greatly aided if it could be stated, particularly in the Western provinces, that there was no legislation of a discriminatory or restrictive character. To make this point clearer, it may be well to cite an instance: A mortgage lender, after having made a contract with a borrower, finds that this contract has been interfered with by legislation, although the contract was originally made in conformity with statutes existing at the time. Subsequent statutory changes, however, are, at any time, liable to be made and generally to the disadvantage of the lender.

In the Western provinces legislation which we know under the head of "Moratoria" still exists. At the time it was passed, there did not seem to be adequate reason therefor. Referring particularly to Ontario, payments made during the war period were quite normal and the ability to pay was abnormal. Not being able to speak personally of conditions in the West, I have to rely upon reports which are to the effect that agricultural borrowers practically in their entirety made larger payments on principal and attended more regularly to interest payments than during normal times.

Every company, however, has found itself the victim of a small number of borrowers who have taken advantage of the special legislation to which reference is made. The inconvenience and loss inflicted on companies by this type of borrower is insignificant in comparison with the national loss sustained by the fact that such legislation was passed and passed unnecessarily. I would point out that reference is not here made to legislation which protected the interests of the men who went to the front.

To those engaged in obtaining funds for investment in mortgage securities, it has been found that one of the great obstacles to their so doing at the present time is the uncertainty in the investor's mind as to what may be next done by the legislatures. That they passed moratoria and kept them in force at a time when the prices of agricultural products had reached their highest point and remained thereat for several years, is construed, and with a measure of justice, as indicative of lack of appreciation of the sanctity of contracts.

If, therefore, we are to function as effective agents between those who have saved money and those who need it for investment in permanent improvements such as are usually covered by mortgages, it will be necessary not only to secure the saver's confidence and retain it, but we must develop public opinion which will insist upon legislatures having regard to legitimate contracts made between borrowers and lenders. Confidence in this respect is just as essential as it is between the lending agency and the investor who supplies it with funds.

There does not seem to be any part of Canada in which there is not need of development and a present demand for money, and money will only flow to those provinces where legislation is least objectionable. It would seem to be very necessary, therefore, that close attention be given to formulating and promoting such legislation as would inspire confidence.

*In his address to the annual meeting of the Association at Winnipeg this week.

BROMPTON BOND ISSUE OF $2,500,000 AT 8 p.c.

Syndicate Offers at 99 to Yield 8.10—Company's Increased Earnings Month by Month

From Our Own Correspondent.

MONTREAL.—An issue of $2,500,000 8 per cent. convertible twenty-year mortgage bonds of the Brompton Pulp & Paper Co. was offered to the public this week by Greenshields & Co., Hanson Bros. and R. A. Daly & Co. at 99, giving a yield of 8.10 per cent. A special provision of this issue is the privilege of converting the bonds into common stock on the basis of two for one, up to May 1, 1931. The denominations are $100, $500 and $1,000. The purpose of the issue is to reimburse the company in part for expenditures of $6,000,000 made in recent years mainly out of earnings, one of these for a new groundwood pulp mill. The bonds are secured by a direct mortgage on all the fixed assets and properties of the company, including the common stock of the Groveton and Claremont properties, subject only to a prior lien of $3,413,000 of underlying bonds, being first consolidated and mortgage bonds due 1927, 1935 and 1939, including bonds of the Groveton Pulp & Paper Co. The new bonds are callable at 110 up to May 1, 1931, and thereafter to May 1, 1936, at 105. There is a balance of $500,000 of these bonds authorized for issue but these are held in the treasury, and the issue of these restricted to 50 per cent. of additional capital expenditure, and provided net earnings for the preceding year have been twice the amount necessary for all bond interest.

CASE FOR HYDRO RADIALS BEING OFTEN ALTERED

"Star" Witness for Project Has Advantage of New Information

MEANS CENTRALIZING

Large Cities Would Benefit From the Scheme, According to Opinion of Bion J. Arnold

During the cross-examination before the Sutherland Royal Commission by R. S. Robertson, critical counsel, of Bion J. Arnold, the Chicago railway expert, it has come out that the Hydro engineering staff has been making investigations very recently of what traffic the proposed Hydro radial lines can expect out of certain communities. The information has been given to Mr. Arnold and his staff to help them in the report which Mr. Arnold is making to support the Hydro scheme but it has not been laid before the Commission.

It will be recalled that four or five months ago both I. F. Hellmuth, K.C., and Mr. Robertson developed this phase, namely, that the Hydro engineers did not produce tabulations, summations and other definite data to show how they arrived at many of their estimates for freight traffic east and west of Toronto. Adjournments of the Commission in fact took place to allow these sheets to be put in but they were not submitted except in the form of estimates, which might or might not be correct in fact. Now it develops that the Hydro staff have been out in the field getting, wherever they can, the tonnage that is actually moving, and several months after the Royal Commission was appointed one of the Hydro's principal witnesses is supplied with data which was not available to the Commissioners.

Means Centralization

Another feature developed during the cross-examination of Mr. Arnold is his admission that the proposed Hydro radial programme, if carried out from Bowmanville to St. Catharines, would tend toward the centralization of population and industry in the territory through which the lines would pass. In fact much of the undertaking depends upon the expectation that the communities east and west of Toronto and along the lake front would rapidly develop. Unless this development takes place of course the estimated passenger and freight revenues would not be reached. This admission obviously brings up a large question, involving economics and public policy, as to whether the credit of the whole province should be pledged to promote an undertaking which will result in more centralization.

It is significant also that Mr. Arnold, who is entitled to respect for having opinions of his own, however acceptable they may be, states that in the estimates he has made of passenger earnings for the radials within Toronto's borders he has calculated on a seven-cent fare on the city lines when the street railway is taken over by the corporation. In other words in computing the passenger earnings of the radials he has allowed them a portion of this increased rate. If the city were not to increase its fares his estimates, so far as Toronto is concerned, would be that much too high. Further, it has been emphasized, as pointed out in THE FINANCIAL POST last week, that his estimates of passenger earnings on the radials in and out of Toronto are based on important facilities not included at all in the Hydro plans, namely, a viaduct and elevated to get radial cars from the wharf up into the heart of Toronto. This he estimates would cost between three and four millions of dollars.

DIVIDEND PAYMENTS

Company.	Date.	Rate.
Penmans, com.	May 16	2
B. C. Fishing	May 21	1½
Can. Cement, pfd.	May 16	1¾
East. Theatres, pfd.	May 14	3½
Montreal L. H.	May 16	1¼
Kaministiqiua	May 16	2
Hollinger	May 20	1
Crow's Nest Coal	June 1	1½
Royal Bank	June 1	3
Home Bank	June 1	1¾
Can. Converters	May 16	1¼
Cedar Rapids	May 16	¾
Dom. Bridges	May 16	2
Lake of Wds, c.	June 1	3
Do., pref.	June 1	1¾
Bk. of Hamilton	June 1	3
Union Bank	June 1	2½
Bk. of Commerce	June 1	3
Brompton	May 16	1
Wayagamack	June 1	1¼
Bk. of Montreal	June 1	3
Bk. Hochelaga	June 1	2½
Ogilvie, pref.	June 1	1¾
C. P. Rly, com.	June 30	2½
Bank of Toronto	June 1	3
Detroit Rly.	June 1	2½

CITY OF TORONTO

$5,000,000 Serial Bonds

Sealed tenders, endorsed "Tender for City of Toronto Bonds," addressed to Thomas L. Church, Esq., K.C., Mayor and Chairman of the Board of Control, will be received by the undersigned until 12 o'clock noon (daylight saving time), Wednesday, 1st June, 1921, for the purchase of $5,000,000 serial bonds, issued on account of the acquisition and rehabilitation of the Toronto Railway Company.

Full details as to the purposes for which the bonds are issued, and amounts maturing annually, together with financial statement of the City, will be furnished on application.

The legality of the issue has been approved by Mr. J. B. Clarke, K.C., Toronto, and his favorable opinion will be engraved on each bond.

The bonds are an obligation of the City at large, are issued in coupon form, with provision for registration of principal, and are of the denomination of $1,000.

They are payable both as to principal and interest in Toronto, and carry interest at the rate of 6% per annum, payable half-yearly. They are dated June 1st, 1921, the first maturity date of principal being June 1st, 1925.

Engraved bonds will be ready for delivery on or about June 10th, 1921. Delivery and payment, with accrued interest, are to be made at the office of the undersigned.

Tenders will not be received for any part, but must be for the entire issue.

A certified cheque, payable to the undersigned, for 2% of the par value of the bonds tendered, must accompany the tender.

Tenders specifying for bonds other than those herein described, or containing conditions varying from the above, will not be considered.

The right is reserved to reject any or all proposals.

GEO. H. ROSS,
Commissioner of Finance.

Treasury Department,
City Hall, Toronto, Canada, May 12, 1921.

And Now— Toronto Printers May Strike

THE present agreement between printers in book and job offices and employers in Toronto expires May 31. The minimum wage paid is $35.20 per week (increased voluntarily a year ago by the employers from $32.00, although the agreement had a year then to run). This wage covers a 48-hour week.

The International Union is demanding a week of 44 hours as the basis for all wage scales, and the Toronto unions are demanding a wage of $44.00 per week of 44 hours, $8.80 more per week for 4 hours less work.

This means an increase from 73 cents per hour to $1.00 per hour, or over 36%.

Publishers and other employing printers feel that under present conditions of business and the admitted decreasing cost of living, the increased wages and shorter hours demanded by the International Union are unreasonable.

This is acknowledged by many of the thoughtful, loyal printers employed in the Toronto offices, who believe that the International Union has blundered in its demand that local unions shall not sign new agreements except on the basis of the 44-hour week.

The position, however, may be that these local men may not be able to make the International officers in Indianapolis see that to force a strike now on these unreasonable demands would be an act of folly—and a strike may be called on June 1st.

The facts of the case are presented here, for the information of the sections of the public—subscriber and advertiser—reached by this publication.

The attitude of the employing printers is shown by their voluntary action in giving a 10 per cent. increase last year while the agreement calling for the minimum wage of $32.00 a week had still a year to run.

They feel strongly now, however, that this is not a time when an increase of 36 per cent. in the labor cost of production should be permitted.

If publishers are forced to pay $44.00 a week instead of $35.20 and get only 44 hours of work instead of 48, it is inevitable that subscription and advertising rates must advance. No business can stand an increase in its wage bill of 36 per cent. and absorb that increase. The extra cost will have to be added to the sale price of the product.

Publishers sincerely hope that the great body of sane opinion among the local printers may prevail and that the Indianapolis officials will be induced to withdraw their unreasonable demands so that Toronto printers may continue to find well-paid, congenial employment.

If this sane, thoughtful opinion does not prevail, a strike seems inevitable, with its equally inevitable result of loss to the printers and publishers, and inconvenience and loss to the public.

An expression of the opinion of readers of this paper on the Union's proposals, involving an increase of 36% in the labor cost of printed matter, is asked. Will you not write a letter to the editor (not for publication) telling him your view of the situation?

This statement is published by and has received the endorsation of the Toronto publishers who are members of the

Canadian National Newspapers and Periodicals Association

Including FINANCIAL POST

BRISK RESPONSE OF STEAMERS TO NEW LONDON FINANCING

Special Meeting Called to Permit Issue Against Debentures

WORKING CAPITAL

Cut Down to $569,000 According to Annual Report— Surplus for Year of $1,932,000

From Our Own Correspondent.

MONTREAL.—An intimation this week that Canada Steamship Lines had completed its financing, presumably in London, and the suggestion that the payment of the preferred dividend was reasonably assured called forth a strong movement in that security and a gain of nearly 20 points from the low was soon registered.

In conjunction with the new financing a special meeting of shareholders has been called for Saturday of this week to ratify a by-law authorizing the creation and issue of first mortgage 5 per cent. debenture stock or bonds, not exceeding $8,186,521—making the total issue not to exceed $15,000,000. Authority will also be asked for the directors to pledge or transfer this debenture stock or bonds to secure advances or loans to the company of an aggregate not to exceed $5,000,000, with interest at a rate not exceeding 8 per cent.; also to authorize the creation and issue of 8 per cent. collateral trust debenture stock or bonds or notes not to exceed $5,000,000 to be secured by a pledge of the debenture stock referred to at first.

Report for 1920

Along with the notice for the special meeting there was sent the balance sheet of the company for the year ending December 31, 1920. Details of the profit and loss account have already appeared, showing net earnings of $4,028,274 as compared with $4,580,273 one year ago. The total revenue, it was announced, was $20,248,611, a new high record, compared with $15,240,414 in 1919. Operating expenses, however, were $16,220,337 as against $10,660,141. After paying interest and a reserve for depreciation of $1,349,245 and dividends, there remained as profits or surplus for the year, $1,932,772, bringing the profit and loss surplus to $8,671,147. The amount available for common dividends was 8.81 per cent. against 12.2 per cent. in 1919.

Changes in Bank Loans

The chief interest in the detailed statement, however, in view of the passing of the common dividend, and the slump in the preferred, lies in the working capital position of the company. Cash is reduced by over $600,000, and bank loans have increased from $700,000 to $2,163,715. Accounts payable are up over $650,000. There is also included in current liabilities the sum of $1,350,000 as the balance of the purchase price of the Montreal Transportation Company—the total cost of which was $3,000,000. These three items account for an increase in current liabilities of $3,468,517.

On the other hand accounts receivable are up $1,859,768, and claims receivable up nearly $1,000,000, while investments increased by $700,000.

Current Assets and Liabilities

The net result is that current assets are up from $5,866,871 to $8,017,693 and current liabilities increased from $4,937,573 to $7,547,999, leaving working capital of $569,694 as against $929,298 one year ago. If an item of "bank advances on behalf of associated company, $1,483,391"—understood to be the Daire Shipbuilding Co.—is taken into account, the working capital would show a deficit of $900,000. As against this it is only fair to note that this amount has been reduced since the end of the year to $385,629, thus restoring a positive working capital once again.

The various items in this account compare as follows for the past two years:

Working Capital Account

Current Assets—	1920	1919
Cash	$ 683,432	$1,299,122
War loans	....	175,000
Acc. rec.	3,796,523	1,936,755
Claims rec.	2,501,980	1,593,984
Interest rec.	5,440	45,190
Inventories	1,030,316	816,820
	$8,017,693	$5,866,871
Cur. Liabilities—	1920	1919
Bank loans	$2,163,715	$ 700,000
Accts. pay.	3,302,129	2,647,327
Acc. int.	117,082	155,828
War tax reserve	396,322	1,215,668
Divid. pay.	218,750	218,750
Bal. pur. price— Mont. Trp. Co.	1,350,000	....
	$7,547,999	$4,937,573
Bal. work cap.	$ 569,694	$ 929,298

Gasoline User, Steam and Electrictiy in Transportation

Some Developments in England Which May be Well Considered in Relation to the Problems in Canada

By LORD MONTAGU OF BEAULIEU, K.C.I.E., C.S.I.

IN the following article from the British Review of Reviews, Lord Montagu presents the ever-strengthening case for the gasoline vehicle as a factor in transportation. He deals with conditions as they apply to England in particular but the arguments for good roads, and the advantage of the motor truck for the short freight haul as well as the auto bus for passenger transportation, can readily be applied to conditions in this country. They should be carefully considered by the Sutherland Commission inquiring into the Hydro Radial projects in Ontario.

We are now at the beginning of a revolution in land transport. The road, more and more neglected for the railway from 1840 to 1900, is once more destined to be the chief means of travelling, and instead of roads being "auxiliary to railways" as Mr. Bonar Law somewhat inaptly declared in the debate on the Transport Ministry Bill eighteen months ago, it is more likely that roads and road transport will prove of more importance than railways.

The speeches made at the recent half yearly meetings of the railway companies by various chairmen show that the railway companies do not understand as yet the significance of the competition they have to face from motor transport on the roads. Until recently the monopoly of transport by railway was open and undisputed, and the public, the press and Parliament were constantly debating ten years ago cases of alleged hardship due to the fact that railways had power to impose heavy charges in virtue of their monopoly, while all the public had to do was to pay and smile, having no alternative.

But now a totally different state of things has arisen. A large proportion of short-distance traffic is leaving the railways for the roads because of the superior conveniences offered, the cheaper rates and better security, and the advantages of transport from door to door. Many handlings, and the somewhat complicated organization inseparable from railway practice, also handicap transit by rail, with the consequence that goods yards are becoming less busy, and the steady reduction of the tonnage conveyed and the number of passengers carried by railways shows which way the public like to travel and to send their goods. In fact, no one will be able in justice to refer in future to the so-called "monopoly of railways," never a real monopoly owing to the considerable seaboard and coastwise shipping of the United Kingdom.

In future the public, the railway companies and road transport between them have got to solve the problem of what kind of traffic shall go by road and rail respectively. The decisive factors will be cost and convenience. Certain classes of traffic, especially that destined for long journeys, in addition to heavy goods traffic, and most import and export business direct from the ship's side to factory, or vice versa, will probably better be carried by rail. But there is an immense amount of parcel traffic and traffic of a less heavy kind which, so far as it is possible to see, is destined in future to be carried by road.

Road transport has great difficulties of its own to face, and some of its problems it shares with local authorities and road makers. No one who considers the probable development of motor traffic on our roads can help coming to the conclusion that the roads of this country can never again be maintained at the same low cost of former years, for this constantly increasing fast and heavy traffic needs a stronger type of road, and until some system of making roads of quasi-permanent materials is evolved, somewhat like the streets and roads already existing in our larger cities, road traffic will have to face the probability of increased taxation for its use of roads, for ratepayers in general will refuse to pay any more in highway rates. If, alternatively, roads degenerate in condition, the cost of transport by road must increase considerably. But a road made of quasi-permanent material, such as reinforced concrete, or of asphalt in its various types, or of bituminous material, may prove to be far the cheaper in repairs, and to be even more economical than a cheap bad road which needs constant repair.

"Return Empty" Problem

As in all new industries, organization and co-operation are wanted in regard to road transport. The first and most important step will be the creation of some central representative body which will bring about the reduction of empty mileage which on road and rail alike is the bugbear of all traffic managers. As an instance, we will take the case of a person moving furniture say from London to Wales. If there is no return load the charge for the vehicle has to include the cost of the return journey as well as the outward journey. If, however, the vehicle, on the other hand, were able to get a return load from somewhere in the neighborhood of the destination, or somewhere on the line of return, it is obvious that the cost to the original hirer theoretically would be halved or diminished.

Some attempts to organize road transport services in this way are being made already by organizations like the British Road Traffic Association, and by means of advertisements where loads and wanted vehicles are daily to be seen. But there will have to be much more comprehensive, well thought out and universal system if road transport is eventually to succeed in conveying goods rapidly, cheaply and conveniently at the minimum cost.

Scientific and commercial organization of road transport is needed, and eventually the cost of road transport will be a good deal reduced.

Some alarmists profess to believe that before long the petrol supplies of the world will begin to fail and vehicles which use motor spirit will be severely handicapped owing to the price of their fuel. Personally, I do not believe this will happen for many years. Many of the heavier types of lorry are now being run by steam—whether steam is more economical than petrol is a matter of controversy which I have not space to discuss here—and then there are sure to be other scientific developments such as the use of gas suction which will very much cheapen the cost of power. Then it is also conceivable that very large pneumatic tyres will be used for anything but the heaviest loads. Eventually a tire with a renewable tread may be devised so that the main fabric will last for years. It is stated by competent authorities that a vehicle on pneumatic tires can be run more economically than on solid tires, weight for weight and power for power, in addition to there being less wear and tear on the machinery and transmission, and a diminution of the general wear and tear of the whole vehicle. Probably the claim is in the main true.

Official Obstruction

Again, greatly increased use of trailers is bound to result from the present system of taxation. As the power unit is so heavily taxed the trailer will come more and more into use as it is so very lightly taxed, and one or two trailers will always be attached to all heavy vehicles on routes where the gradients are not too steep to enable them to be hauled. Whether the greatly increased use of trailers is good for the surfaces and foundations of roads is doubtful, but from the point of view of economy and earning capacity there can be no doubt that the use of trailers will become more popular day by day.

A considerable danger to the future of road transport exists in the tendency of the ministry of transport, like all government departments, to keep on interfering with the management of commercial transport, by means of minute and mostly superfluous regulations. Of course, every new ministry thinks it must justify its existence, and I assume that the ministry of transport is not exempt from this often observed and well established feature on the part of government departments in general. But as regards motor transport, it may be said that the less it is interfered with by officialism, especially when the officials are mostly ex-railway officials, the better it will get on and the quicker it will develop on sound lines.

There is a growing feeling throughout the country that the less government interference there is in all commercial matters the better, and this feeling is growing in strength and will probably show itself in the House of Commons and at the polls more strongly in future. Of late the rapid growth and power of the bureaucracy constitutes a real danger which must be guarded against. And there is also the curious fact that some able men, industrious, alert minded, and courteous before they enter government service tend to become Jacks-in-office and intensely autocratic when writing on government note paper.

But given a fair field and freedom from too many official regulations, road transport will exist or fail on the question of cost. There is practically no sentiment in commerce and the passenger and sender of goods will adopt either road or rail transport just as it may be more convenient or cheaper. On this basis it is difficult to see how road transport can fail to enlarge its scope. The result on railway earnings will be serious, how serious no one can yet say, and probably the same developments will be seen as took place when tramways and motor 'buses first competed with railways to the outskirts of London and other big cities, namely, a considerable diminution of short distance railway traffic.

Advantages By Road

Were I a railway manager I would take the bold course of seeing whether a reduction of passenger and freight charges would not attract back to the railway much of the lost traffic. Nearly empty trains with a few high fares do not pay, and total receipts are more important than these higher fares much fewer in number. Already some of the railway companies are laying themselves out to compete against their rivals, the char-a-bancs, during the holidays, and are advertising fares lower than those which hitherto have been charged by the road carrying companies. But it is probable that the road carrying companies will accept the challenge and lower their fares to the same or a less rate. They can collect from the centre of towns and can convey their passengers from starting point to destination, and it will certainly be cheaper and more convenient for the passenger to pay the same fare by road, since he will not have to pay the charges involved in getting to and from the railway station.

--your salesman in the Border Cities

(FORD, WALKERVILLE, WINDSOR, SANDWICH, OJIBWAY)

ONTARIO'S THIRD LARGEST MANUFACTURING CENTRE

Practically 100% of the progressive merchants of The Border Cities are unanimous in their choice of one salesman—their best salesman—**The Border Cities Star, Windsor, Ontario.**

Because it is result-producing, thorough, reliable, energetic and able to hold the confidence of its readers.

It is not exaggeration to say that The Border Cities Star goes into every home in the Border Cities and has a margin to cover the rich territory outside.

Advertising in The Star sells the consumer direct which paves the way for healthy repeat orders for your representative.

The Border Cities Star

WINDSOR ONTARIO

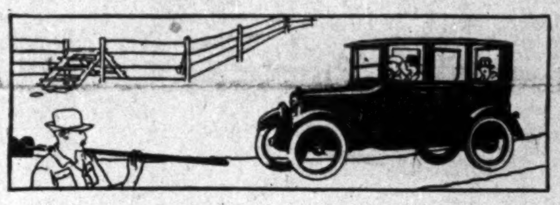
W. F. HERMAN, Proprietor

Also The Saskatoon Daily Star and The Saskatoon Phoenix

"Put CANADA On WHEELS"

means

Real Daylight Saving



WOMEN and men everywhere, in every trade and profession, are using the Overland to speed up business and save daylight for recreation.

It eliminates lost motion from their labors and leaves them more time for their business, and more devotion to home.

And it is so economical to run that it saves money as well as daylight.

Don't Forget to Enter for our $5,000 Letter-Writing Contest—Open to Owners of All Makes

CONTEST CLOSES JUNE 1ST

People are just beginning to realize what a wonderful car the new Overland is—the 1921 Catalogue will be sent you for the asking.

Willys-Overland Limited

Head Office and Factories: Toronto, Canada

Branches: Toronto, Montreal, Winnipeg, Regina

Overland

A Good Investment

Everybody smokes

OLD CHUM

Canada's Favorite Pipe Tobacco.

FARMERS SOON GROW TIRED RETAIL TRADE

Co-operative Movement Is Dying Out in Some States

QUANTITY BUYING

This Method of Merchandising Is Growing in Favor Where Conducted on Business-like Basis

From "Printers' Ink"

Manufacturers who have been watching with some little apprehension the growth of the co-operative buying idea among farmers have asked Printers' Ink how the movement is being affected by present business conditions.

A survey of the situation in Iowa, Nebraska and Kansas, where the agitation has been the strongest, reveals two interesting conditions of a contradictory nature.

The farmers seem to be realizing that they are beyond their depth, so far as conducting retail stores is concerned.

On the other hand, the sentiment is growing in favor of buying binder twine, harvester machinery, coal and similar commodities in carload lots.

The latter proposition is really one that the leading promoters of co-operative buying have urged from the beginning. It is the thing that Printers' Ink mentioned a few months ago as being of real concern to the manufacturer. The manufacturer has to look out for it now more than ever.

Sentiment Changes

The retail store—the selling of dry goods, groceries and general merchandise—was hooked onto, or rather wished onto, co-operative buying without general consent.

For years farmers have held the bag for about every kind of co-operative store deal you ever heard of. All sorts of schemes have been cooked up for the purpose of doing away with the independent dealer. During the recent reign of sky-high prices, these stores got to be more in favor than they probably ever will be again. But now that readjustment is in progress the sentiment seems to be going the other way—showing that Mr. Farmer is a hard-headed individual after all, who is not going to buy goods from anybody very long from a standpoint of sentiment.

In Iowa, nine retail stores are owned and operated by the State Farmers' Union. Now comes the announcement that the Farmers' Union Exchange, which is the wholesale house supplying the nine retail stores, is in the hands of a receiver. The effect on the co-operative store proposition in Iowa remains to be seen.

In Kansas and Nebraska the retail stores are owned by the local unions and buy their goods wherever they like. Life is not at all pleasant for these stores right now. At this writing one big store of the kind in central Kansas is being closed out because its stockholders, all farmers, were "dissatisfied with the way things were going."

The officers of the Nebraska Farmers' Union are taking the situation in hand and are definitely discouraging the formation of co-operative retail stores.

Quantity Buying

In the matter of buying certain things in carload lots, however, and distributing them according to the method already described in Printers' Ink, the favorable sentiment gets stronger all the time. This has the backing of State Boards of Agriculture and is even supported by the United States Department of Agriculture.

It must be remembered in this connection that the farmer gets what he wants, no matter what the politics of the "in" administration may be. The farmer wants co-operative buying. And it must be admitted that he is going about it in a businesslike manner. Anyway, with the State and Federal Government back of him, he is a force that cannot be ridiculed away or argued out of existence.

Obviously the thing for the manufacturer to do in States where the co-operative buying idea is strong is to redouble his efforts for the upbuilding of the retail store. After all, here is the real weakness of almost any buying scheme. When it comes to distributing the goods to the consumer the retail store is the only real satisfactory way.

Build Up the Retailer

There is no use for the manufacturers to try to solve this problem through governmental agencies. The farmers are in the saddle there. Doubtless manufacturers would scorn to use such tactics in any event. But they can devote more attention to building up the retailer.

The experience that has been worked out in the case of retail mail-order ought to be enough encouragement. Ten years ago retailers were badly scared and all sorts of ridiculous ideas were proposed to help them defeat retail mail-order. Among other things, a move was started to have Congress impose a prohibitive tax on the catalogue houses. But certain manufacturers and jobbers who succeeded in keeping their feet on the ground suggested a slightly different policy. This policy was put into effect. Retail dealers were shown how they could compete with the catalogue houses. To-day mail-order is great and strong but it no longer is regarded as a menace to the retail store.

When there are aggressive, capable retailers willing to put up a real fight for business the farmer is not going to be influenced so much by any talk about the fancy advantages of going in with his neighbors and buying things in carload lots. The retail store is or can be a stronger force than the agricultural departments and other agencies backing the co-operative plan.

N.S. TRAMWAYS SUFFERS FROM MUCH CONTROL

Commission Regulates Service and Legislature Fixes Earnings

SHORT OF CAPITAL

From Our Own Correspondent.

HALIFAX.—The financial statement presented to the shareholders of the Nova Scotia Tramways & Power Co. at the annual meeting was not on the whole encouraging, but rather the reverse. No dividends have been paid on any of the stocks for some time and the net loss in operation during 1920 was $110,656. The company paid in taxes the sum of $102,328, leaving net earnings over operating expenses of $87,629. Interest and amortization charges were $202,526. The payment of other small amounts brought the actual deficit for the year to the figure mentioned, $110,656. The total gross earnings were $1,461,039, the operating expenses were $1,271,081.

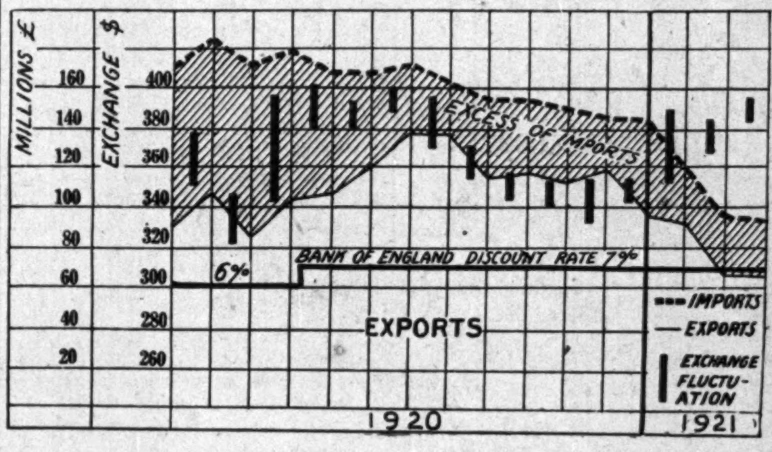
The directors stated that they were unable to raise additional capital for track reconstruction, and for paving required by the city and their own necessities. It had been impossible to raise money, the directors say, on any security the company had to offer, because of the financial showing which the company was making and because investors were unwilling to put money into a utility controlled as to service by a commission but as to earning by the legislature. The directors announced, therefore, that it is their intention to apply once more to the legislature to be put squarely under the board of public utilities.

The directors state that during the year operating expenses had reached their highest point and would probably decrease. The company needs new funds for track construction and some other things and the directors say that it is essential for the well-being of the city that the company be put in a much stronger financial position in order that the new money may be obtained.

The company placed in operation during the year twenty-four new steel safety cars at a cost of $235,000, which is fully 40 per cent. more than the same cars would have cost, for instance, in New England. They were manufactured in St. Louis and freight and customs duty accounts for the abnormal price. The fare was raised from five cents to seven, resulting in increased earnings in this department. The operation of the gas department shows a deficit of $41,161.

Speaking of the Government's hydro-electric development the directors say it was not yet known what this will cost, but it was hoped that it could be bought by the company at a rate that would mean some saving over the cost of steam generation. They do not seem to be at all sure that this will be the case. At a meeting in the board of trade the general manager of the company remarked that the company was prepared either to negotiate for the purchase of this form of energy from the commission or they would, if the city wished, sell out to the corporation and let them operate the whole service. There evidently is not room for operation by both city and company. The chances are that when the application comes before the legislature to have the company released from the jurisdiction of the house in favor of control by the public utilities board, there will be the usual agitation against granting any relief to what the company considers a hardship.

Sterling Exchange—British Foreign Trade and Bank of England Rate



The Bank of England is one of the most closely watched of all the important phenomena that stand as indexes of economic conditions. The rate was fixed at 7 per cent. early in April, 1920. Since that date events again have fully justified the rate as an important signal.

To those who remember or have read of previous 7 per cent. rates and the accompanying conditions, the rise of the line marked English bank rate on the graph seems to hiss and sizzle with warning and, as in other crises, British trade will not revive considerably until after the rate has been reduced, in the opinion of a writer in the Annalist. For weeks the financial community has been watching for a reduction.

The import and export figures, it may be noted by reference to the chart, have reached a resting point in the decline, and there are many indications that forecast an approach to betterment in conditions affecting not only Great Britain's but all foreign trade.

In several South American countries retail prices are falling to a basis more commensurate with wholesale prices. This is a hopeful sign, as this narrowing spread is one of the signs of advanced liquidation. The credit strain is relaxing in Japan and money is accumulating there in the banks. As the crisis became acute first in Japan, it is reasonable to look there for first signs of an improvement. This expectation seems in process of realization.

It may be noted on the chart that the March, 1920, exchange quotations appear higher than seems justified by the flow of trade. Undoubtedly this is because credit strain has been easing as a result of contraction in loans and because the invisible trade balance, which is not figured in the balance of trade, is so large, according to some computations being sufficient to wipe out the adverse balance of the early months of 1921.

BRITISH EMPIRE STEEL

The British Empire Steel Corporation has applied to the New York Stock Exchange for permission to list $18,950,000 of its cumulative 7 per cent. series B first preference stock, $50,359,000 of its cumulative 7 per cent. preferred stock, and $21,474,000 of its common stock.

FORD'S OUTPUT

Ford Motor Co. produced 91,393 cars and 6,860 tractors in April. Retail sales were 92,152 cars and 5,238 tractors. Unfilled retail orders at the end of April totalled 86,932 cars and 256 tractors. May production schedules call for 100,000 cars and 7,250 tractors.

During first four months of 1921 there were made 218,467 cars and 13,474 tractors. Retail sales for that period were 300,184 cars and 18,0[illegible] tractors. There are 43,786 men employed at Highland Park plant. Total number of employees for all domestic plants 60,406.

Save Steps, Time and Money
STROMBERG-CARLSON
INTER-COMM-PHONES
REQUIRE NO SWITCHBOARD OR OPERATOR
Send for Bulletin No. 1017
STROMBERG-CARLSON TELEPHONE MFG. CO.,
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When selecting a Trust Company as an Executor, choose one whose fixed policy is to give
FINANCIAL ASSISTANCE
to Estates being administered by it
PAID-UP CAPITAL AND RESERVE $1,172,000
The Imperial Canadian Trust Co.
EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE: WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA

Ford
THE UNIVERSAL CAR

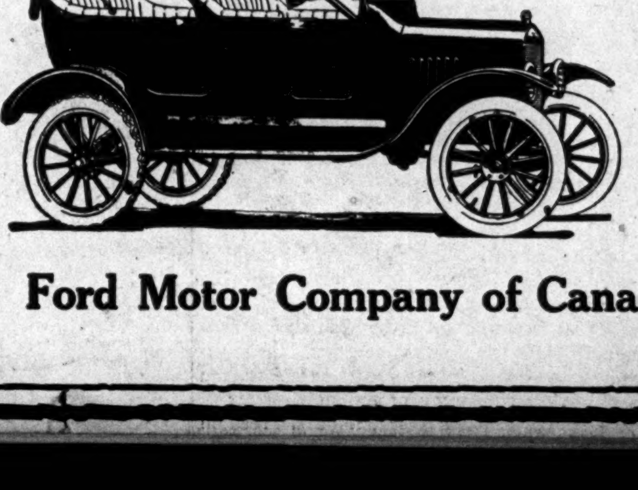
What the Ford Motor Company of Canada, Limited, means to Canada's workmen

Few people realize that while the Ford Motor Company of Canada, Limited, employs over 3000 men at their factory at Ford, Ontario, *there are also upwards of 50,000 people* who directly or indirectly are kept busy in Canadian plants filling the demands of this Company for material and finished products.

During the depression of last Fall and Winter practically every automotive factory in the Dominion ceased manufacturing. To assist in relieving the serious Dominion-wide problem of unemployment the Ford Company, at heavy loss, kept its plant running four full days each week. Not only in the Ford factory but in hundreds of other Canadian industrial plants thousands of Canadian workmen were thus given employment throughout the winter.

The yearly payroll of this Company exceeds $4,000,000. Our purchases in one year totaled almost $20,000,000. With the exception of a few parts, which are not procurable in Canada, *the whole of the Ford Car is built from materials purchased from Canadian manufacturers.*

The Ford is a "Made-in-Canada" Car. In buying a Ford you are giving employment to Canadian workmen.



Wherever you go—Ford Service

Ford Motor Company of Canada, Limited, Ford, Ontario

C. P. R. RULES IN TRANS-PACIFIC TRANSPORTATION

But Competition is Now Becoming Much More Keen

THE JAPS ARE BUSY

Big Eastern Shipping Companies Have Merged And Are Now Very Important Rivals of C.P.R.

From Our Own Correspondent.

VICTORIA.—Canadian shipping on trans-Pacific routes will have plenty of competition during the next few months, but not competition of such a nature as to cause anxiety. The continued dominance of the Canadian Pacific Ocean Services in the passenger trade seems absolutely assured, and the Canadian cargo-carriers are likely to hold their own also.

The important factor in trans-Pacific cargo and passenger trade during the last year or so has been the whole-hearted entrance of American shipping into this realm. During the war the United States Shipping Board helped to build the foundation for future development and since the armistice several definite routes have been provided for. Private interests, however, are now representing Uncle Sam on the Pacific sea lanes, and of these the Pacific Steamship Company is by far the most important. Five years ago this concern was comparatively insignificant, and was not a factor at all in ocean commerce. It merely operated a few small steamers in the coastal trade between Puget Sound and Californian and Alaskan ports. It has pursued a progressive policy, however, and it now operates several first-class steamships between the United States and Japan, China and the Philippines. It has the largest fleet of steamers flying the American flag today, and is the only American contender for the honors now held in the Pacific by Canadian transportation companies worthy of consideration.

Japanese Are Active

The Nippon Yusen Kaisha and the Osaka Shoshen Kaisha are the two big Japanese shipping companies, and they, with the Tenyo Kisen Kaisha, which operates between the Orient and San Francisco, are the most important rivals of the Canadian Pacific Ocean Services in the North Pacific. The Japanese companies have been generously subsidized by their government and during the war amassed enormous fortunes as a result of the world demand for tonnage at sky-high prices and their comparatively few losses as a result of wrecks and submarine activity.

A development that might have had serious consequences in a commercial sense was the proposed amalgamation of the three big Japanese companies named with the Kokusai Kisen Kaisha, another fairly large concern. The two most important companies refused to enter the merger and the project is now declared to be off, for the time being at any rate. M. Tachikawa, a heavy shareholder in three of the companies, conceived the idea of a huge shipping corporation capitalized at $250,000,000 and owning a fleet of 2,500,000 tons, operating in every sea. Judging from recent reports from Japan, the Tachikawa plan is hardly accepted seriously, although it has attracted wide attention. After a lengthy period of prosperity, Japanese shipping concerns are feeling the pinch of a much depressed charter market and lighter cargo movement across the Pacific. New extensions are likely to be postponed for some time.

The C. P. R. Dominates

In the meantime the Canadian Pacific Ocean Services, with its faster and bigger vessels, has been able to take the cream of the business offering and will probably continue to do so for a considerable time to come. The Canadian Government Merchant Marine is now operating ships between this country and Australia and India and contemplates inauguration of a regular service to Oriental ports, thus making a bid for cargo trade under the very noses of its Japanese rivals.

WINNIPEG ELECTRIC

A Big Increase in Net Income For March

The net income of the Winnipeg Electric Railway Company for the month of March showed an increase of 48 per cent. over March of one year ago. For the first quarter of the present year the increase in net income was 14 per cent. The figures for the month of March both years and for the two quarters compare as follows:

March	1921	Inc. or Dec.	P.C.
Gross	$ 504,624	$ 47,709	10.45
Operat. and taxes	389,948	36,514	11.20
	$ 114,675	$ 11,194	10.80
Fixed chrgs., int. etc.	58,593	* 7,160	10.90
	$ 56,082	$ 18,355	48.60
Three Months ending March 31, 1921			
Gross	$1,487,578	$ 86,953	6.2
Operat. and taxes	1,123,664	76,593	7.1
	$ 363,914	$ 10,359	3.0
Fixed chrgs., int., etc.	172,714	*12,479	6.4
	$ 181,199	$ 22,839	14.4

*Decrease.

WHEAT PRODUCTION IS BELOW NORMAL

Principal Exporters Decreasing Pre-War Acreage—U.S. Surplus Small

Wheat production is not yet back to pre-war basis. The United States, Canada, Argentina and Australia are above pre-war production, but Russia and central European countries are far below their normal acreage and production. In southern hemisphere, where harvest is from December 1 to January 31, Australia is shipping freely, having exported 29,400,000 bushels from January to April 1, 1921, while Argentina with a surplus of 120,000,000 has exported 17,720,000 bushels. Argentina's small exports, says the U. S. Market Reporter, are due to attempts to hold buyers for supertax. India, which completes its harvest in early May, has a short crop as a result of drought, and will have no exportable surplus.

Same authority says exportable surplus in United States and Canada has been so reduced that the carry-over in this country on July 1 will be hardly half the average pre-war amount.

Greater Rumania will have 93,000,000 bushels compared with 174,000,000 pre-war average, due to reduced acreage. Production in large importing countries has not returned to pre-war average except in United Kingdom. Neither are imports equal to pre-war consumption. United Kingdom's consumption is equal to pre-war days. France is approaching normal consumption, but will not produce its pre-war average this year as wheat area is 3,000,000 acres short. Importations have been heavy, but not sufficiently so as to bring consumption up to average.

Germany's wheat imports this fiscal year are running 75 per cent. of normal and those of Belgium about one-half.

The great areas sown to wheat in United States, Canada, Australia and Argentina during the war are decreasing, but still are above pre-war average. With Russia out of the list, as it probably will be for at least two years more, the Bureau of Markets concludes there can be no great overproduction of wheat in the world, even though consumption in most European countries will be below a pre-war average for several years yet to come. India will not be an exporter this year, and may be an importer because of serious crop shortage. It is desirable, therefore, that there should be some surplus in the world to carry over from one crop year to another in anticipation of a possible short harvest.

AUTO SHIPMENTS

Twenty-eight Per Cent. Below a Year Ago

Automobile shipments for the first quarter of 1921 for leading American passenger car producers were 28 per cent. of those for the same quarter of 1920. Official figures of principal motor producers show that Studebaker, Franklin, Auburn and Pierce-Arrow were the largest relative shippers.

Total passenger car shipments in the first quarter of 1921 were 85,794, compared with 299,135 for the corresponding period of last year. Commercial car shipments the first three months of this year were 13,714 against 45,695 for the first quarter of 1920.

Average for the first quarter is low because in January and part of February little business was done. March shipments were 42 per cent. of the record month of March, 1920. It is believed that April reached 70 per cent. of April, 1920. Record of plant shipments for the quarter does not adequately express all business done. In many cases, including Dodge, production was maintained through the dull winter months and sales the first of the year were made out of dealers' stocks rather than from the factory.

PAT DALY FROM B.C. TAKES NEW YORK BY WHISTLE

Irrepressible Miner Gives The Big Town Some New Thrills

HAS A BIG SUIT ON

Is Claiming a Couple of Million Dollars in Connection With the Premier Mine Deal

A few days ago the press despatches had a brief reference to the spectacular arrival of Whistling Pat Murphy in New York. Pat is not a vaudeville performer, despite his ability with his old tin whistle, but he does play on the "big time" mining circuit in British Columbia and it was in regard to a suit involving a couple of million dollars in connection with the Premier mine that he turned up in the American metropolis to provide the sensation-seeking New Yorkers with a few new thrills. Here is the story of Pat and his whistle as told by the New York Telegram:

Like a breeze from the north, Pat Daly and his whistle blew in from Nelson, B.C. No trunk, no grip, no bag—"just as ye see me, bye," he explained. "But I've me whistle," and he stood in the lobby and played "Mary Brannigan." Then he calmly resumed his old pipe—not a T. D., but it might as well be. It's as bad, only more durable.

Lobby of what? A Bowery lodging house? Not on your life. The best for Pat. The Pennsylvania, or nothing.

"They gave me a hard look when I asked 'em for 'th' room, ye see. I ain't no dude and I wouldn't wear one of them durned things around me neck for another gold mine. I ain't much on neckties and the likes o' that. The bell-hop says 'Grip, sir?' and I says, 'Grip nothin' I want a room.' Well, when I pulled out the roll I got the room, all right. But I'm havin' a divil of a time. Every mornin' the maid chucks me out because she don't see no grip in the room and I have to go down and tell 'em I'm still here. So now I just leave a few nuggets lyin' around and they know I'm stayin'. Come up, bye," said Pat, and we went up to his suite on the eighth floor.

Daly hit New York for the first time yesterday. He's a County Kildare boy, but most all his sixty-year life has been spent in the mining camps of the great Northwest. He makes his home in Nelson, B.C., a little town of 6,000 people, but one of Canada's beauty-spots. But most all the time he's up in the camps 'way up north, and that's where he's really himself.

Known to Mining Men

Pat Daly is known to every mining man in the West and has the confidence of some of the country's biggest financiers. Pat talks of millions as ordinary folk do of dollars. He's a typical miner—combs his hair only for company, slicks up only on special occasions.

Here in New York he's been getting shines and everything, though he hasn't got as far as getting his suit pressed. His whistle is his life's companion. He declares that when out lookin' for gold he'd play the instrument. If he found gold, he'd keep on playing, considering the whistle a mascot. If luck went bad, he'd stop playing the whistle, being a hoodoo. So the whistle works both ways.

"Well, I guess I always played. I'm musical by nature, ye see. It's only a ten-cent thing, that's all. The head waiter calls it 'a floot.' It's nothing of the kind. I play dances for the miners with it and, say, they can dance.

"I was down to the Caffy de Paree last night. That's a fine place. And fine girls there, too. One—they called her the hostess—wouldn't dance with nobody but me. A fine-dressed feller there he got jealous, but she says:—'I'll dance with Pat, no one else.' And she did, too. Dance? I can dance any dance. But I like the old waltz best and they played one for me, sure they did.

Paid for Irish Chunes.

"Then yesterday we went to an Eyetalian place—Molly's or something. I says to the head fiddler, 'Give us an Irish chune, bye,' and I gives him a dollar. So he plays 'The Wearin' of the Green.' Then I says, 'Play another Irish chune,' and I gives him another dollar. He plays 'The Harp That Once Thro' Tara's Hall.' Then I says, 'Play a lot of Irish chunes.' Well, the fiddler says, 'If I play all Irish chunes, the English customers 'll be leavin.' 'Is that so?' says I. 'Then play Irish chunes the rest of the night and sind the bill up to th' hotel,' bye.'"

Pat drew from his inside pocket the little tin whistle, a foot long, with five holes in it. He placed it to his lips and began to play. Fritz Kreisler may be supreme in his art, but he can't play a tin whistle like Pat Daly. Pat can play you off your feet—you can't sit still. "Pop Goes the Weasel," "Mary Brannigan," "Haste to the Wedding," and bits of "Yankee Doodle" and—say, Pat has the jazz bands looking like last summer's $2.95 silk shirt.

"They come near puttin' me out here," said Pat, pausing for breath. "Last night, after comin' home from the caffy, I walks into the hotel playin' the whistle. Neil O'Rourke, the night manager, says, 'You can't play that thing here.' 'Why not?' says I to him. 'We can't have that noise at this hour,' says he. 'Noise?' says I. 'Where's yer ears, man? 'Tis music, that's what it is." 'Well, ye can't play it in the lobby,' says he. 'Who the hell says I can't?' says I 'I'm payin' for me room and I'll play the whistle if I feel like it, O'Rourke,' says I, and I did, too, ye bet, bye," said Pat. "I played it all the way up the elevaytor to me room, too."

Get Tangled Up in Loops

Pat finds New York girls "pretty good," but he "gets tangled up in the loops when I try to take hold of 'em to dance." For looks, though, they have nothing on the girls of Seattle, Spokane and Nelson, B.C., and when it comes to cooking—

"I bet they can't cook. Bye, ye ought to see me hot cakes. Griddles, they call 'em here. I ain't had a decent plate since I struck here. They don't know the business in New York, that's all. I could open up a hot cake restaurant, and I'd have 'em coming in for miles. Cooking's me long suit."

Pat expects to take in the Follies and all the exciting sights before returning to Nelson. He showed the ore that he keeps in his dresser to indicate that he's still at the hotel. "It's from the mine," he explained.

"You see, I'm here on a little business. Me friend, Judge Frederick C. Robinson, of Spokane, is in New York and he's got me lawsuit. I'm claimin' about $2,000,000 on a big mine up there—the Premier mine, about 154 miles north of Prince Rupert, near the Alaska boundary. I prospected the whole thing and practically worked it and then they tried to kick me out, but I need that two million. Oh, I got a few other little mines layin' around, besides. Now I'll play another chune," he said.

He played "Auld Lang Syne" in a way nobody would have thought possible on such an instrument.

"Can you play any jazz?" he was asked.

"Jazz?" he said. "And sure, didn't jazz come from Ireland?" and he burst into "Why Did They Sell Killarney?"

THE SONG OF THE SUCKER

We're wary of bankers and banking;
We look upon bonds with distrust;
You never can know when the market will blow,
Or big institutions will bust.
But offer us any investment
That will promise a thousand per cent.,
And our homes we will hock to get hold of your stock,
With trusting and graceful content.

We never will question your methods,
What matters it how it is done;
Though the profits you say you are going to pay
Are got with a club or gun?
We aren't going to scruple with ethics,
While we toil to the end of our days;
This safe and sure stuff never nets you enough:
We want an investment that pays.

The fact that you may be a grafter
But anyway now you are out!
It isn't our business to ask you
If you have a rating or not
With Bradstreet or Dun, if you'll pay ten for one,
We'll trust you with all we have got.
And if you go South with our savings,
Which, doubtless, is what you will do;
Because we were rash with our dearly-earned cash
We will moan for a fortnight or two,
But soon we'll return to our labors
And save some more money, and then,
When we hear that some gent pays a thousand per cent.
We will do it all over again!

When You Are Among Those "Next of Kin"

When a man dies without leaving a will, the members of his family find themselves in much confusion;—What is to be done about the business? How are these securities to be divided?

If that happens to you, or to any friend of yours, remember that the shortest cut out of the confusion, is a petition to the Court for the appointment of

The Canada Permanent Trust Co.

as administrator of the estate. A prompt settlement follows,—as equitable to all parties as the law permits.

The fact remains, however, that no settlement of an unwilled estate can ever be satisfactory to everybody. Someone will have a lifetime of thinking,—"I know Father would have planned things so differently."

The only way is to make your will, naming as your Executor

The Canada Permanent Trust Co.

Your family is then assured smoothness of settlement, security in your estate, and that just division which only you can make.

The Canada Permanent Trust Co.
Toronto Street, Toronto
Paid-up Capital - - - $1,000,000
Manager, Ontario Branch - A. E. HESSIN

GENERAL SALES & ENGINEERING CO.
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Executive Offices: Lincoln Bldg., Buffalo, N.Y.
Canadian Executive Offices: Royal Bank Bldg., Toronto, Canada

The Bank's Guardian Service To Travelers

The Summer Vacation Season Is Here!

Every bank has a guardian interest in the vacations of its patrons; and *may* have a profitable service interest in the personal vacation of its community—week-ends or months. Not *where* people go, here or abroad, or their *method* of travel; but, *how their traveling money is made most convenient and safe-guarded.*

American Express Travelers Cheques Answer the Question

No need to explain to a Bank the convenience and money-safety value of these Cheques. Thirty years' test by the American Express Company's world organization has established their most practical uses under all conditions in all lands. Enough to explain the demand which travelers will make on Banks throughout the country for these Cheques; and to assure these Banks of our desire to serve them in their Guardian Service to Travelers.

Thru the medium of advertising in national publications, 20,000,000 people a month, every month of the vacation season, will read of the advantages of *American Express Travelers Cheques.*

A display line in each advertisement:—"Buy them at Banks" will send the great bulk of travelers for pleasure or business to the Banks selling these Cheques.

In fairness to these applicants give them American Express Travelers Cheques, the safest and best travel funds:—Dollar Cheques, acceptable the world over; the only Sterling and French Franc Cheques; and our Letters of Credit, convertible abroad into Travelers Cheques without extra cost.

Foreign Offices

GREAT BRITAIN: London, Liverpool, Southampton, Edinburgh, Glasgow
FRANCE: Paris, Bordeaux, Havre, Nice, Marseilles
EGYPT: Cairo
ITALY: Rome, Naples, Genoa
BELGIUM: Antwerp, Brussels, Ostend
HOLLAND: Rotterdam
SCANDINAVIA: Copenhagen, Christiania, Stockholm
SWITZERLAND: Lucerne, Zurich
GERMANY: Berlin, Bremen, Hamburg, Coblenz
SOUTH AMERICA: Buenos Aires, Montevideo, Valparaiso
THE ORIENT: Yokohama, Koke, Hong Kong, Shanghai, Manila, P. I.
CANADA: Montreal, Toronto

AMERICAN EXPRESS COMPANY
65 BROADWAY, NEW YORK
29 Luckie Street, Atlanta, Ga. Market Street at Second, San Francisco, Cal.
Ninth & Locust Streets, St. Louis, Mo. 32 North Dearborn Street, Chicago, Ill.
231 St. James Street, Montreal, Canada

CURE INFLATION BY ADOPTION OF POLICY OF THRIFT

Canada's Finances in Excellent Condition Compared With Other Countries

BALANCE OF TRADE

J. H. Gundy Points Out That Unfavorable Balance is Being Reduced—Value of Life Insurance

J. H. Gundy, of Wood, Gundy & Co., of Toronto, in addressing the Life Underwriters' Association a few days ago on the financial outlook, deprecated pessimism with regard to business conditions in Canada. People talk about business being bad, said Mr. Gundy, but just how bad is business? Today we do as much in a month as we once did in a year. Mr. Gundy pointed out that unfavorable trade balances were continually being quoted as evidence that conditions were bad, but in contradiction of this theory remarked that Canada's imports had exceeded her exports for many years prior to the war. In 1870 our unfavorable balance was still greater — exports being $94,000,000 and imports $120,000,000. By 1913, this unfavorable balance had grown to $293,000,000—exports being $377,000,000 and imports $670,000,000. During that period—1870 to 1913—Canada made tremendous strides from an agricultural and commercial viewpoint, as well as financially. During the last fiscal year our unfavorable balance was only $51,000,000, and this was based upon an inflated value of commodities.

With the exception of the fiscal year ending March 31, 1915, Canada has each year since the outbreak of the war shown a substantial surplus of ordinary revenue over ordinary expenditure. For the year ending March 31, 1914, this surplus was more than $35,000,000. It reached $84,000,000 by 1917, and $94,000,000 for the fiscal year just ended.

Mr. Gunny pointed out that another indication of the financial strength of the Dominion Government was the ease with which it met a $25,000,000 loan maturing in New York on April 1st, of which $19,000,000 was paid in gold from Canadian mines. Such gold payments are unusual today, although prior to the war, when currency was actually on a gold basis, no one could incur a liability that did not have to be met in gold if the creditor demanded it. Conditions were surely not so very bad when each year the Government could take a large amount of money out of current account and use it to pay for the war.

Canada In Excellent Position

Mr. Gundy did not minimize the evil of inflation, a condition in which the money of the country was much greater than its wealth justified. But Canada, he thought, was in an excellent position in this regard when compared with other countries. Inflation made profiteers. It was unfair to the workers, as the decrease in the value of money was not adequately reflected in wages. It was particularly unfair to salaried people, because they received even less consideration in the matter of increases. Inflation created unrest. It arbitrarily took money from one man and paid it to another.

The only cure, declared Mr. Gundy, was to discontinue extravagant buying, eliminate all unnecessary borrowing, and increase the wealth of the country by saving. This applied both to individuals and to institutions.

Canada has made great strides in so far as the savings of her people are concerned. Savings bank deposits showed an unbroken increase from month to month during the whole of 1920—this gain totalling more than $150,000,000. Nevertheless, said Mr. Gundy, it is possible for us to do better, and it should be borne in mind that the fact that a commodity was made in Canada does not excuse extravagant buying, because if it were not an essential the man who made it might have been better employed in producing something useful.

Operating on Less Capital

Current loans, on the other hand, are on the decline. This indicates that manufacturers and others are operating upon less capital. In 1915, current loans by Canadian banks were about $771,000,000; they grew rapidly and reached their peak in September, 1920, at $1,417,000,000; by March, 1921, they had been reduced to $1,200,000,000. Also, since October, 1920, the Government's advances to banks upon commercial paper (which was authorized by the Finance Act) have been reduced from $126,000,000 to $65,000,000. Since October bank note circulation has also dropped from $249,000,000 to $206,000,000.

Mr. Gundy touched upon the railway situation in Canada. "Our railways," he said, "have created another national debt. Today it costs nearly half as much to carry the railways as to carry the war debt." It was a problem that had to be faced, however. All new construction should be stopped where possible, he thought, and every effort applied to increasing efficiency of operation.

In conclusion, Mr. Gundy commended insurance as a form of saving that created an immediate estate. People put their money in the bank one day, and took it out the next, but if we could double or treble the insurance in force in Canada, we would have gone a long way toward making the Canadian dollar worth a dollar in gold, thereby helping to solve the exchange difficulty.

CAPTAIN OF TEXTILE INDUSTRY IN U.S. IS CANADIAN BORN

Continued from page 10.

The young textile man seized the shaky enterprise with a firm hand. He asked the stockholders to put in new money to the amount of two hundred and forty thousand dollars capital stock—which had been spent in plugging gaps in the business. They agreed to do this.

From that time to the present, Whitman has been the moving force in the development of the Arlington Mills, which have become the greatest individual organization in their field. Today they form an enormous enterprise, with a capital stock of $12,000,000 and with 7,500 employees.

The Arlington Mills may be called the keystone to the great group of textile mills, of which William Whitman Company, Inc., are the selling agents. In the same city of Lawrence are located the Monomac Spinning Company, in which are made the French-spun worsted and merino yarns; the Acadia Mills, producers of mercerized cotton yarns, and also the Katama Mills, manufacturers of duck and automobile-tire fabrics.

In New Bedford there are three very large cotton mills. The product of one of these, the Manomet Mills, consists of combed yarn for the knitting trade and specialties for the manufacture of tire fabrics. The Nonquitt Spinning Company manufactures fine count yarns. The third of the group, Nashawena Mills, weaves fine cotton, and cotton and silk "gray goods" which form the basis for the highest-grade finished fabrics, such as voiles and venetians. It spins yarns for its own needs, having the largest number of spinning spindles in one room of any mill in the world.

In addition to this there are the Calhoun Mills, Calhoun Falls, South Carolina, and the Mary Louise Mills of Mayo, South Carolina, and other mills in the South.

This remarkable group of mills extends from Lawrence, Massachusetts, to Calhoun Falls, South Carolina, and the cost valuation of the mills, plus their surplus, amounts to $44,000,000. In the last three years they have contributed $23,000,000 in taxes to the support of the Government.

The seven corporations with which William Whitman Company, Inc., are closely associated, both in ownership and management, use for manufacturing purposes 7,418,604 square feet, equal to 170.21 acres of floor area, and they both own and use for storage purposes the Belleville Warehouse Company in New Bedford, which has a floor area of 750,820 square feet, equal to 17.24 acres, making a total floor area of 8,169,424 square feet, equivalent to 187.45 acres.

There has been hardly a single improvement in American textile manufacture for a half-century in which Whitman has not been a pioneer.

A power plant adequate to run a large factory is devoted solely to the atmosphere-control system. The piping used for this purpose would extend twenty-eight miles in a straight line. All the air admitted to the mills is filtered and washed, and three million six hundred thousand cubic feet of it is forced through the different rooms every hour by a ventilating plant.

For several decades, Whitman has been prominently connected with public affairs. He served seventeen years as president of the National Asociation of Wool Manufacturers, the oldest organization of its class in the United States.

Probably his greatest service has been his determined effort to bring the great textile field to an acceptance of the sanctity of contracts.

"Honor is something far above mere honesty," he declared to me. "It includes the fullfillment not only of legal but of moral obligations. Such success as may have come to me is based essentially on the seven rules to which I have referred—and the six following 'honor' all spring from the rule of honor.

"In following out what I call the rule of quality, for instance, I have always insisted that we keep up to a certain invariable standard, no matter how greatly the market conditions of raw material may vary at any time. If any mill finds it impossible to get the quality of raw material established for a given product, that product is withdrawn from the market until such time as we can get it again.

"The rule of uniformity demands a complete testing of all material, regardless of expense, to make sure that every yard of product is on a par with every other yard. The rule of co-operation brings all the mills under one large plan of management, although naturally each one is also a rival of the rest.

"The rule of hygiene is merely the expression of ordinary common sense in the conservation of man power and the extension of human happiness. We insist that every part of every mill must be kept scrupulously clean. Each of our mills in Massachusetts furnished ten times the space and nearly double the amount of fresh air required by the laws of the state for its school children."

Whitman is known in the textile industry as an ultra-optimist. Yet his "guesses" have almost always been cor-

when most of the textile manufacturers were talking retrenchment and waiting for the price of machinery to go down, he started a huge new program of mill construction. This program included new machinery orders so extensive that it would take two, three and even four years to finish filling them.

To-day he is preparing to spend between ten and fifteen million dollars in additions to his mills. He believes that the productive wealth of the country is about to blossom into a new era of prosperity.

Probably no other man in America of William Whitman's age is the active head of a business comparable in size to his. The energy of the man seems almost unabatable. Every morning he is at his Boston office at eight-forty-five o'clock. He never takes time to go out for luncheon, and spends only fifteen minutes in eating the simple meal that is brought to him. Then he plunges back into work and keeps up the pace until five o'clock in the afternoon.

Incidentally, Whitman believes that very employee in his office should report on time, work intensely, and have his duties all done by five o'clock. If he finds anyone developing the habit of working overtime at the regular routine of his job, he makes an immediate readjustment. The employee is either given assistance or shifted to work which he can wind up in an eight-hour day.

Although Whitman is still actively at the helm of his great business enterprise, he has surrounded himself—particularly in recent years—with an impressive group of associates and lieutenants.

"When a man has devoted his life to erecting a business structure," the textile man remarked, "there is real satisfaction in knowing that when he steps aside there are others trained and ready to pick up the burden and bear it as he has tried to bear it himself."

NEW ISSUE

$2,500,000

Brompton Pulp & Paper Company Limited

8% Convertible Twenty-year Mortgage Bonds

Dated May 1st, 1921. Due May 1st, 1941. Interest payable semi-annually May 1st and November 1st, at the Quebec Savings and Trust Company, Montreal, and at the Royal Bank of Canada, Montreal, Toronto, Halifax, Winnipeg and Vancouver. Coupon Bonds of $1,000, $500 and $100 denominations, with privilege of registration as to principal only. Callable in whole or in part on any interest date at the option of the Company at 110 and accrued interest to May 1st, 1931, provided holders be given 90 days notice in which to exercise conversion privilege: after that date at 105 to May 1st, 1936; thereafter at par. Trustee—Quebec Savings and Trust Company.

CAPITALIZATION	Authorized	Outstanding	
Common Stock (No par value)	210,000 shares	140,000 shares (As per Balance Sheet)	$7,000,000
8% Cumulative Preferred Stock	$2,000,000		2,000,000
6% First Consolidated & General Mortgage Bonds, due 1927, 1935 and 1939, including Bonds of Groveton Pulp & Paper Co., Ltd.	3,707,000		3,413,000
8% Convertible General Mortgage Bonds (this issue) due 1941	3,000,000		2,500,000

The Bonds of this issue are convertible at any time until May 1st, 1931, at the option of the holder into common stock on the basis of 20 shares Common Stock for each $1,000 par value of Bonds.

For detailed information regarding the Company, we refer to a letter from F. N. McCrea, President of the Company, from which he summerizes as follows:

1. Brompton Pulp and Paper Company, Limited, is one of the largest Canadian companies producing miscellaneous pulp and paper products, including newsprint paper, kraft and fibre paper, boxboard, sulphite, sulphate and groundwood pulp. The business has been in successful operation for many years.

2. This issue is for the purpose of partly reimbursing the Company for expenditures on Capital account made in recent years largely out of earnings, and aggregating approximately $6,000,000.

3. Bonds will be secured by a direct mortgage and charge on all the fixed assets and properties of the Company, and on all securities now owned or hereafter acquired by it, including entire common stock of the Groveton Pulp and Paper Company and the Claremont Paper Company, subject only to $3,413,000 underlying bonds listed above.

The issue of remaining $500,000 in Treasury is restricted to 50% of additional Capital expenditure, and provided net earnings for preceding year have been twice the amount necessary for all Bond interest.

4. An annual cumulative sinking fund of approximately 2½% of bonds outstanding will be commenced, May 1st, 1923, sufficient to retire entire issue at maturity irrespective of bonds which may be cancelled through conversion.

5. Under terms of trust deed Company is required to maintain surplus of current assets over current liabilities of not less than $2,000,000 during the life of these bonds.

6. Freehold and leasehold timber areas of the Company and subsidiaries aggregate 1,190 square miles estimated to contain 7,000,000 cords pulpwood and a very large quantity of saw logs. These reserves are estimated sufficient for all future operations at present capacity. They can be further conserved, as in the past, by purchases from individuals.

7. Annual production of the Company's Mills at East Angus, P.Q., Bromptonville, P.Q., Claremont, N.H., and Groveton, N.H., in net tonnage for sale, is as follows:

	Tons
Groundwood Pulp	15,000
Unbleached Sulphite Pulp	8,000
Newsprint Paper	34 000
Kraft and Fibre Paper	51,000
Box Board	15,000
Total Annual production for sale	123,000
Lumber Production, ft. b.m.	10,000,000

8. Water Powers—22,150 H.P. maximum, developed, and 12,000 H.P., capable of reasonably economical development.

9. Total assets, on which these Bonds are a charge, as per combined balance sheet of these Companies, at January 1st last, after giving effect to present financing amount as follows:—

Plant and Property Valuations, after deducting Depreciation Reserves	$14,567,000
Net Quick Assets	3,586,000
Total Assets	$18,153,000
Total Bonds Outstanding	$ 5,913,000

10. Net earnings after interest, taxes, and depreciation for the last four years have averaged $1,291,000 as against bond interest including interest on this issue, of $405,000, or over three times interest requirements on outstanding bonds including present issue.

Net after depreciation and taxes for last fiscal year was $2,314,000, or over five times all Bond interest requirements.

A large part of this issue having been sold we offer the unsold balance at the price of
99 AND ACCRUED INTEREST, TO YIELD 8.10%

Greenshields & Co.
17 St. John Street, Montreal
14 King Street East, TORONTO — Central Chambers, OTTAWA

Hanson Bros.
160 St. James Street, MONTREAL — 63 Sparks Street, OTTAWA

R. A. Daly & Co.
Bank of Toronto Building, TORONTO, Canada

APPLICATION FORM

To ______________________
(Address nearest office either of above)

____

Sirs :—

I/We hereby apply for $__________ par value Brompton Pulp & Paper Company, Limited, 8% Convertible 20-Year Mortgage Bonds, due May 1st, 1941, at 99 and interest.

Name (in full) ______________________

Date __________ Address (in full) ______________________